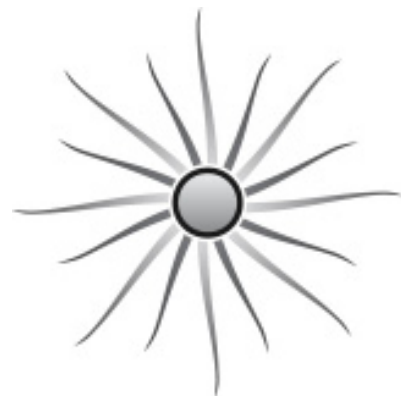


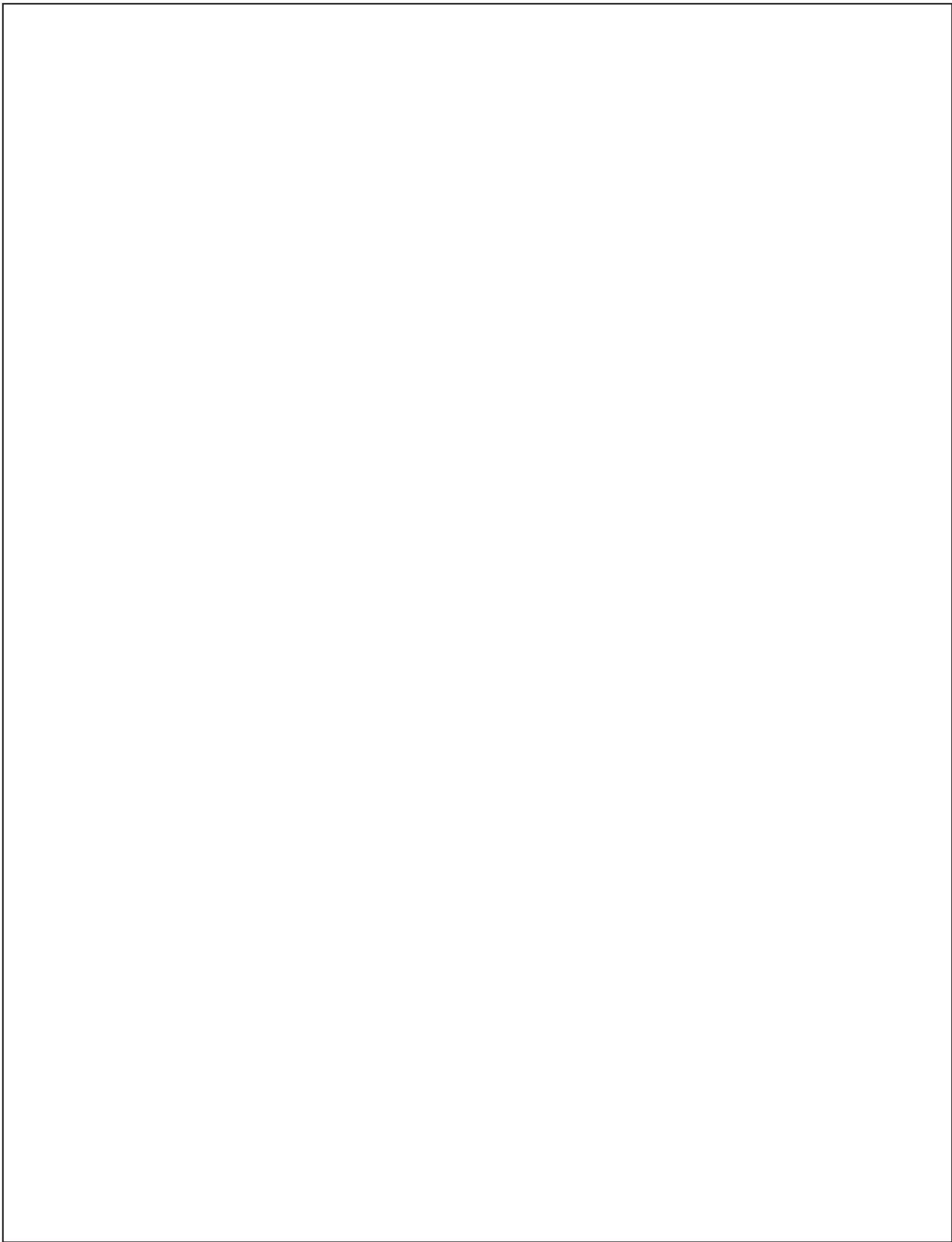


**CHL LIMITED**

**ANNUAL REPORT  
2009 - 2010**



THE  
**SURYAA**  
NEW DELHI





## CHL LIMITED

### 31st Annual General Meeting

Date	:	21st September, 2010
Day	:	Tuesday
Time	:	12.00 Noon
Place	:	Hotel The Suryaa Community Centre New Friends Colony New Delhi-110 025

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### BOARD OF DIRECTORS

Dr. L. K. Malhotra - Chairman & Managing Director  
Mr. D. V. Malhotra  
Mr. O. P. Bajaj  
Mr. A. K. Malhotra  
Mr. Gagan Malhotra  
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](mailto:cs@chl.co.in)

### Statutory Auditors

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

### Internal Auditor

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

### Bankers

Hongkong & Shanghai Banking Corporation Ltd.  
Andhra Bank

### Registrar and Share Transfer Agents

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3<sup>rd</sup> Floor,  
99, Madangir  
Behind Local Shopping Centre.  
New Delhi 110 062  
Phone : 29961281 Fax : 29961284  
E mail : [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

### Regd. Office

Hotel The Suryaa  
Community Centre  
New Friends Colony  
New Delhi-110 025  
Phone : 91-11-2683 5070, 4167 2222  
Fax : 91-11-2683 7758, 2683 6288  
E-mail : [chl@chl.co.in](mailto:chl@chl.co.in)  
<http://www.thesuryaanewdelhi.com>



## NOTICE

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of CHL Limited will be held on **Tuesday, the 21<sup>st</sup> day of September, 2010 at 12:00 Noon** at the Registered Office of the company at Hotel The Suryaa (Formerly known as Crowne Plaza Delhi), Community Centre, New Friends Colony, New Delhi 110025 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2010 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. Subhash Krishan Dayal Ghai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. D. V. Malhotra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Harish C Bhasin, 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 subject to the provisions of Section 198, 269 and 309 and other applicable provisions of the Companies Act, 1956 consent of the Members be and is hereby accorded to the re appointment of Dr. L. K. Malhotra as Managing Director for a period of 5 years commencing from 15<sup>th</sup> July, 2010 to 14<sup>th</sup> July, 2015 and to the payment of remuneration and perquisite to him as follows:

Overall Remuneration:

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

Within the aforesaid ceiling, the remuneration payable to Dr. L. K. Malhotra shall be as under:

Basic Salary	: Rs. 5,00,000/- per month
House Rent Allowance	: Accommodation with amenities such as Gas, Electricity, Water, House Furnishing and Repairs the aggregate monetary value of which being limited to 60% of basic salary per month for the purpose of which limit, perquisite shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule perquisite shall be evaluated at actual cost.
Commission	: To be paid within the overall limit of the net profit in a financial year computed in the manner laid down under Section 349 of the Companies Act, 1956.
Medical Reimbursement	: Expenses incurred for self and family subject to the ceiling of one month's salary.
Leave Travel Commission	: For self and family for once a year subject to the ceiling of one month's salary.
Club Fee	: Maximum of two clubs not including admission and Life Membership Fee.
Personal Accident Insurance	: Premium not exceeding Rs. 10,000 p.a.
Car & Telephone	: Company's car with driver for Company's business. Official telephone facility at residence. Personal long distance telephone calls shall be billed by the Company.



**PROVIDENT FUND, GRATUITY, ENCASHMENT OF LEAVE**

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

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

**By Order of the Board**

New Delhi  
Date : July 30, 2010

**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 14<sup>th</sup> September, 2010 to 21<sup>st</sup> September, 2010 (both days inclusive).
3. Members whose name appears as on 13<sup>th</sup> September, 2010 in the Register of members after giving effect to all valid share transfers which are lodged with the Registrar and Share Transfer Agent before 14<sup>th</sup> September 2010, and as Beneficial owner at the end of the Business hours on 13<sup>th</sup> September, 2010 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 2003-04, 2004-05, 2005-06 (Interim & Final Dividend), 2006-07 (Interim & Final Dividend), 2007-08 (Interim & Final Dividend), 2008-09 (Interim & Final Dividend) and 2009-10 (Interim) which remain unpaid or unclaimed for a period of 7 years in the Unpaid Dividend Account for the respective financial year of the Company is to be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company Secretary of the company at the Registered Office of the Company for revalidation of dividend warrants already dispatched/issue of demand draft in lieu of that. 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**

In the 26<sup>th</sup> Annual General Meeting of the Company Dr. L. K. Malhotra was reappointed as Managing Director of the Company for a period of 5 year from 15<sup>th</sup> July, 2005 to 14<sup>th</sup> July, 2010. His tenure has expired on 15<sup>th</sup> July, 2010. Dr. L. K. Malhotra has been associated with the Company since its inception in 1980. He is one of the major promoters of the Company and founding father



of the Company. Under his sheer direction and guidance your company has not only progressed but also excelled at par with international standard and the company cannot afford to loose its services. It is desirable to reappoint Dr. L. K. Malhotra as Managing Director of the Company for a further period of 5 years w.e.f. 15<sup>th</sup> July, 2010 to 14<sup>th</sup> July 2015 on the terms and conditions as aforesaid. The remuneration payable to Dr L. K. Malhotra is within the permissible specified limits of the Companies Act, 1956.His remuneration is recommended by the Remuneration Committee.

No other directors except Dr. L. K. Malhotra, Mr. D. V. Malhotra, Mr. Ashok Malhotra and Mr. Luv Malhotra are interested in the resolution.

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

New Delhi  
Date : July 30, 2010

**By Order of the Board**

**G.J. Varadarajan  
Company Secretary**



## CHL LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS OF CHL LIMITED

Your Directors are pleased to present their 31<sup>st</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

#### 1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE

Particulars	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
<b>Total Income</b>		
Sales	7036.97	8209.27
Other Income	<u>368.81</u>	<u>289.55</u>
	7405.78	8498.82
<b>Less: Total Expenses</b>	<u>4871.00</u>	<u>5625.70</u>
<b>Gross Profit before Interest, Depreciation and Tax</b>	<b>2534.78</b>	<b>2873.12</b>
Less : Financial Charges	381.05	354.04
Depreciation	421.12	338.31
Deferred Revenue Expenditure	<u>1.40</u>	<u>1.40</u>
	<u>803.57</u>	<u>693.75</u>
<b>Profit Before Tax</b>	<b>1731.21</b>	<b>2179.37</b>
Less: Provision for Tax	<u>589.27</u>	<u>851.24</u>
<b>Net Profit after Tax</b>	<b>1141.94</b>	<b>1328.13</b>
Add : Profit brought forward from last year	3422.76	2801.63
Adjustment of last year's provision	1.49	(22.19)
<b>Profit available for appropriation</b>	<b>4566.19</b>	<b>4107.57</b>
<b>APPROPRIATIONS</b>		
Transferred to General Reserves	300.00	300.00
Proposed Dividend on equity shares including interim dividend	328.91	328.91
Tax on Dividend	55.90	55.90
<b>Balance carried to Balance Sheet</b>	<u>3881.38</u>	<u>3422.76</u>

Sales and other incomes for the year under review at Rs. 7405.78 lacs is lower than that of the previous year Rs. 8498.82 lacs by 12.86%.

Operating profit before depreciation and finance charges at Rs. 2534.78 lacs for the year under review as compared to Rs. 2873.12 lacs for the previous year, is lower by 11.77 %

Net Profit after providing tax for the year under review is to Rs. 1141.94 lacs as compared to Rs. 1328.13 lacs for the previous year, thus lower by 14.01% over the previous year.

## 2. BUSINESS REVIEW

The Hotel & Tourism industry is cyclical in nature and highly susceptible to the macro -environmental changes. Aviation and hospitality are the first to get impacted by adverse environment and the last to recuperate. Often described as fragile industry, the demand for the travel is highly susceptible to the event like economic slow down, wars, disease outbreak and terrorism

The balance sheet of the hotel companies are under stress on account of occupancy levels in major metro station including Delhi and Mumbai. During the current financial year growth have fallen as compared to the previous years. The ARR has also gone down across the major cities by about 20%. The compound effect is expected to result in reduced profitability to the tune of 20-25 percent. Despite the numerous problems tourism industry was one of the largest foreign exchange earners for India. Realizing the potential in India, international & domestic hotel chains were rushing to cash on it. The entry of multinationals and Indian Hotel chains expanding internationally only reinforces the segment's untapped business potential. The demand for travel and tourism in India is expected to grow by 8.2 % between 2010-2019 and will place India in the third position in the world. The common wealth game would be the good opportunity to showcase the rich culture heritage of the country to the international community

## 3. DIVIDEND

The Board has already declared an interim dividend @ Rs. 1.50 per equity share in the Board Meeting held on 25.01.2010 for the financial year ended 31.03.2010.

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

Mr. B. N Malhotra and Mr. Kumud Malhotra resigned from the Directorship of the Company w.e.f. 05.11.2009.

Mr. Gagan Malhotra who was the Vice President (Corporate Development) of the Company joined as a Director of the company w.e.f. 25.01.2010 in place of Mr. Kumud Malhotra.

## 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. CHANGE OF NAME

The Franchise Agreement with International Hotels Group is coming to an end in the month of September 2010 and as such your hotel will now be known as "The Suryaa New Delhi" w.e.f. 1<sup>st</sup> September, 2010.

## 7. SUBSIDIARY COMPANY

CHL International, a close joint stock company, was incorporated in the year 2001 at Dushanbe, Tajikistan under the Civil Code of the Republic of Tajikistan with the main objective of construction of Hotels cum Commercial Complex.

The project cost of hotel is US \$ 29.08 million (126.72 million Somoni). Out of it, its equity component is US \$ 11.08 million (48.42 million Somoni) and loan component is US \$ 18.00 million (78.30 million Somoni).

During the period under review, your company acquired additional interest in CHL International an erstwhile associate company, thus making it a subsidiary w.e.f. 30<sup>th</sup> October, 2009. The company's stake in CHL International as on Balance Sheet date is 84.11% (21.03 million somoni).





## CHL LIMITED

Your Company's contribution will be up to 70% of the share capital of US \$ 11.08 million, (48.42 million Somoni) amounting to US \$ 7.76 million (33.87 million Somoni).

The Export & Import Bank of India (EXIM Bank) has sanctioned a term loan of US\$ 18.00 million for part financing/ setting up of / developing 5 Star Hotel in Tajikistan. Your company has agreed to furnish its corporate guarantee to the Exim Bank for the aforesaid loan.

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

### 8. CONSOLIDATION OF FINANCIAL STATEMENT

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

### 9. 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.

### 10. 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.

### 11. (a) 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) EMPLOYED THROUGH OUT THE YEAR 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	66	CMD	96.00	Ph.D	45 years	15.07.1985	Managing Director Ashraf & Malhotra, Kuwait
Mr. Luv Malhotra	37	ED	76.00	Master Degree in Economics	12 Years	11.09.1998	GM (Coordination) CHL Limited

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, and Mr. Luv Malhotra.

Mr. Luv Malhotra is related to Dr L.K. Malhotra.



**(b) 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) EMPLOYED PART OF THE YEAR IS GIVEN BELOW:**

Name	Age	Designation	Salary & Perquisite (Rs in lac)	Qualification	Experience	Date of Joining	Last Employment
Mr. Gagan Malhotra	42	Director	22.77	B.Sc., University of Michigan, USA	17 Years	02.04.2007	VP (Corporate Development) CHL Ltd

Mr. Gagan Malhotra resigned from the post of VP (Corporate Development) of the company w.e.f. 23.01.2010. He joined the Board w.e.f. 25.01.2010 in place Mr. Kumud Malhotra.

**12. SECRETARIAL AUDIT**

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

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

**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.

**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. 2443.10 lacs (previous year Rs. 3483.07 lacs) and used foreign exchange to the extent of Rs. 218.04 lacs (previous year Rs. 481.95 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.



## CHL LIMITED

The Board of Directors also express 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 30, 2010

**Dr L.K. Malhotra**

**Chairman and Managing Director**

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

- |    |   |  |
|----|---|--|
| 1. | Name of the Subsidiary Company  | <b>CJSC CHL International</b><br>(incorporated at Tajikistan, Ministry of Justice of Republic of Tajikistan) |
| 2. | The financial year of the subsidiary Company ended on   | 31.03.2010   |
| 3. | Shares of the Subsidiary held by the Company on the above date:-  |  |
|    | a) Number and Face Value  | 210269 Equity shares of 100 Somoni each.<br>(Equivalent to Rs. 23,44,45,435)                                 |
|    | b) Extent of the interest of Company at the end of the financial year of the subsidiary   | 84.11%   |
| 4. | The net aggregate amount of Profits / (Losses) of the subsidiary so far as they concern the members of Company and not dealt with in the accounts of the Company    | Nil  |
| 5. | The net aggregate amount of Profits / (Losses) of the subsidiary so far as those profits are dealt with, or provision is made for those, in the accounts of Company | Nil  |

**For and on behalf of the Board**

New Delhi

Date : July 30, 2010

**Dr L.K. Malhotra**

**Chairman and Managing Director**

## CHL LIMITED

### CORPORATE GOVERNANCE

Corporate Governance is the activity of governing, it relates to decisions that define expectations, grant power or verify performance. It consists either of a separate process or of a specific part of the management or leadership or leadership process. In case of a business the word governance relates to consistent management, policies, process and decision-rights for a given area of responsibility. For example management of a business organization involved policies on privacy, on internal investment and on use of data. The Corporate Governance is must provides the direction and proper administration through which all the workings of the Company can be controlled A good Corporate Governance is basically a platform for the various stake holders for their confidence buildup. The basic theme of the Corporate Governance is to ensure the accountability of the certain individuals through certain mechanism. Only after fixing the accountability for the proper implementation of the Corporate Governance. So it is essential that proper powers should be given to various high level positions of the management for the effective Corporate Governance.

### BOARD OF DIRECTORS

As on 31<sup>st</sup> March 2010, the Company has nine Members on the Board. Dr. L.K. Malhotra, Chairman & Managing Director and Mr. Luv Malhotra, Executive Director are the whole time Directors. Remaining seven Directors are Non-Executive Directors. Among the seven Directors, two are Non-Executive Non-Independent Directors and five are the Non-Executive Independent Directors.

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

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

All Directors have as on 31<sup>st</sup> March 2010, filed the requisite declaration stating that the disqualification contemplated under section 274 (1) (g) of the Companies Act 1956 do not apply to them.

During the year under review, Mr. B. N. Malhotra and Mr. Kumud Malhotra had resigned from the Directorship of the company w.e.f. 05.11.2009 and Mr. Gagan Malhotra has joined the Board in place of Mr. Kumud Malhotra w.e.f. 25.01.2010.

**DIRECTORS' PROFILE****1. Dr. L. K. Malhotra**

Dr. L. K. Malhotra, aged 66 years, is Hon'y Ph. D in Business Management. He has an experience of 45 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 71 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 61 years, is an hotelier and has an experience of more than 21 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 76 years, is a Non Resident Indian based at Bangkok. He has vast experience in the field of Managing Hotels and is a well-known Industrialist in Bangkok. He owns three Hotels in Bangkok

**5. Mr. Subhash Ghai**

Mr. Subhash Ghai, aged 67 years, is a renowned and well known and leading film director. He is an eminent and outstanding personality in film industry with 34 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.

**6. Mr. Luv Malhotra**

Mr. Luv Malhotra, aged 37 years, is MSc. (Economics) from University of Buckingham. He has an experience of 12 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.

**7. Mr. Harish Chander Bhasin**

Mr. Harish Chander Bhasin, aged 70 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.

**8. Mr. R. C. Sharma**

Mr. R. C. Sharma, aged 70 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.

**9. Mr. Gagan Malhotra**

Mr. Gagan Malhotra, aged 42 years, is B. Sc. from university of Michigam, USA. He got a rich experience in the field of Sales Management, Customer Management, and Project and Operational Management. He is expertise in planning, customer services, staff training, price strategies, identification of new business opportunities, strategic market plan execution and creating a team environment to increase the productivity. He has joined the Board with effect from 25.01.2010.



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

<b>Name of Directors</b>	<b>Date of Birth</b>	<b>Date of last Re-appointment in the A.G.M.</b>	<b>List of other Companies in which Directorship held* including other Board committee members</b>
<b>Mr. Subhash Ghai</b>	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.
<b>Mr. D.V. Malhotra</b>	02.07.1939	30.07.2007	1. Cosmo Asset Reconstruction Company Limited
<b>Mr. Harish C. Bhasin</b>	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
<b>Mr. R.C Sharma</b>	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. <b>Audit Committee</b> 1. Sir Shadilal Enterprises Ltd. 2. PCI Ltd. <b>Remuneration Committee</b> 1. PCI Ltd. <b>Grievances Committee</b> 1. PCI Ltd.
<b>Mr. A.K. Malhotra</b>	07.10.1949	23.09.2009	1. Mela Hotels Ltd. - MD 2. Malbros Farms (P) Ltd. 3. ICS India (Pvt.) Ltd. - Chairman 4. Vatsal Foods (Pvt.) Ltd.
<b>Mr. O.P. Bajaj</b>	18.01.1934	23.09.2009	NIL
<b>Mr. Gagan Malhotra</b> (in place of Mr. Kumud Malhotra)	04.08.1968	23.09.2009	1. Rache Overseas Private Ltd. 2. Gulistan Promoters & Developers Pvt. Ltd.

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

Mr. Gagan Malhotra joined the Board w.e.f. 25.01.2010 in place of Mr. Kumud Malhotra. He is liable to retire by rotation and he holds the office up to the date at which Mr. Kumud Malhotra would have held office, who was reappointed on 23.09.2009 in the 30<sup>th</sup> Annual General Meeting.

**DETAILS OF NON RETIRING DIRECTORS**

<b>Name of Directors</b>	<b>Date of Birth</b>	<b>Date of last Re-appointment in the A.G.M.</b>	<b>List of other Companies in which Directorship held* including other Board committee members</b>
<b>Dr. L. K. Malhotra</b> Chairman & Managing Director	07.02.1944	15.07.2005	1. Mohan Meakin Ltd. 2. Taurus Investment Trust Co. Ltd. 3. Mohan Rocky Springwater Breweries Ltd.



## CHL LIMITED

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.

<b>Mr. Luv Malhotra</b> Executive Director	09.03.1973	22.09.2005	<ol style="list-style-type: none"> <li>1. CHL (South) Hotels Ltd</li> <li>2. Kyjol Entertainment Media (P) Ltd.</li> <li>3. ICS (India) Pvt. Ltd.</li> <li>4. Malbros Capital Services Pvt. Ltd.</li> <li>5. On Track Technocrat Developer Pvt. Ltd.</li> <li>6. CHL Biotech Pvt. Ltd.</li> <li>7. Cosmo Asset Reconstruction Company Ltd.</li> <li>8. Satyam Cineplexes Ltd.</li> </ol>
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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 31<sup>st</sup> March 2010, five Board Meetings were held.

S. No.	Date of Meeting	Board Strength*	Number of Directors Present
1.	25.04.2009	10	9
2.	31.07.2009	10	9
3.	23.09.2009	10	8
4.	26.10.2009	10	8
5.	25.01.2010	9	6

\* w.e.f. 25.01.2010, the Board strength has been reduced from 10 to 9.

### ATTENDANCE IN THE MEETING

Attendance of Directors at the Board Meetings held during the financial year ended on 31<sup>st</sup> March, 2010 and at the 30<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2009 is as under:

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

#### Attendance of Directors who have resigned during the year under review

S.No.	Name of Directors	No. of Board Meetings attended	Attendance at the last AGM	Remarks
1.	Mr. B.N. Malhotra	4	Yes	Resigned w.e.f. 05.11.2009
2.	Mr. Kumud Malhotra	4	Yes	Resigned w.e.f. 05.11.2009

#### 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 31<sup>st</sup> March 2010, four Audit Committee Meetings were held.

S. No.	Date of Meeting	Audit Committee Strength	Number of Directors Present
1.	25.04.2009	4	4
2.	31.07.2009	4	4
3.	26.10.2009	4	3
4.	25.01.2010	4	3

#### 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	2

#### REMUNERATION COMMITTEE

The Company has a Remuneration Committee, comprising of three directors. During the year under review no meeting of Remuneration Committee was held.

#### MEMBERS OF THE MEETING

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

#### 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 26<sup>th</sup> Annual General Meeting of the Company held on 10<sup>th</sup> September 2005, directors are entitled for commission at the 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. However, during the year under review commission to directors has been waived off.





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### Sitting Fees

Sitting fee paid to Non-Executive Directors is as under :

Name of Directors	Sitting Fees (Rs. in lac)
Mr. D.V. Malhotra	0.80
Mr. B.N. Malhotra (resigned w.e.f. 05.11.2009)	0.80
Mr. A.K. Malhotra	1.00
Mr. O.P. Bajaj	1.80
Mr. Kumud Malhotra (resigned w.e.f. 05.11.2009)	0.80
Mr. Subhash Ghai	Nil
Mr. Harish C. Bhasin	0.80
Mr. R.C. Sharma	1.80
Mr. Gagan Malhotra	0.20

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

Name of Directors	Sitting Fees (Rs. in lac)
Dr. L.K. Malhotra	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 2009-2010.

### 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	Nil	14.07.2015
Mr. Luv Malhotra	76.00	5.76	Nil	21.09.2010

### INVESTORS/SHAREHOLDERS GRIEVANCES COMMITTEE

The Committee was constituted by the Board in their meeting held on October 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 are sent within a period of 15 days of receipt, except in those cases which are disputed and sub-

judice. There are no pending share transfers as on 31<sup>st</sup> March 2010. The company furnishes necessary documents/information to shareholders.

The Company received 22 shareholder's grievances during the year which interalia included non receipt of Annual Report, Transmission of Shares and past years' dividend. The grievances were duly attended to and the company has furnished necessary documents/information to the shareholders. No grievances were pending at the year end.

### **GENERAL BODY MEETINGS**

The last three Annual General Meetings were held at Hotel Crowne Plaza, New Friends Colony, New Delhi 110025 on 30.07.2007, 30.09.2008 and 23.09.2009 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, Sr. No. 11 of Schedule 16 to the Annual Accounts for the Financial Year 2009-10. 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/CFO**

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 31<sup>st</sup> March, 2010 was placed before the Board of Directors of the Company in its meeting held on 30<sup>th</sup> July, 2010.

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.



## CHL LIMITED

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.

### Auditors

#### 1. Statutory Auditors

G. Rai & Co.  
Chartered Accountants  
29A/1 Asaf Ali Road,  
New Delhi-110 002  
Tel: 91-11-23231847  
Fax: 91-11-23234189  
Email: graico@airtelmail.in

#### 2. Internal Auditor

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

#### 3. Tax Auditors

M/s Mukesh Malik & Co.  
Chartered Accountant  
347-348, Joshi Road,  
Karol Bagh  
New Delhi 1100 005  
Tel: 91-11-23622122

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 30, 2010

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

### 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 in English and Hindi edition.



## SHAREHOLDERS INFORMATION

31 <sup>st</sup> Annual General Meeting Date, Time and Venue	21 <sup>st</sup> September, 2010, at 12.00 Noon. at Hotel The Suryaa, Community Centre, New Friends Colony, New Delhi 110025
Financial Calendar for 2010-11 (Tentative)	Adoption of Quarterly Results
For the Quarter ending June 2010 September 2010 December 2010 March 2011	3 <sup>rd</sup> /4 <sup>th</sup> week of July 2010 October 2010 January 2011 April 2011
Book Closure Dates	14 <sup>th</sup> September, 2010 to 21 <sup>st</sup> September, 2010 (both days inclusive)
Final Dividend Payment	Members whose names appear as on 13 <sup>th</sup> Sept 2010 in the Register of members and as Beneficial owner at the end of the Business hours on 13 <sup>th</sup> Sept. 2010 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 Stock Exchange (File No. 3950). The last officially quoted price was Rs. 47 in the year 1998-1999. There was no trading in the Company's Share on Delhi Stock Exchange during the last several financial years including the financial year 2009-10.

### BOMBAY STOCK EXCHANGE

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

**Scrip Code:532992 Company:: CHL LTD**  
**For the Period: April 2009 to March 2010**

Month	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)
April 2009	103.00	103.00	83.65	83.65	2662	21	243,718.00
May 2009	82.00	85.95	77.10	85.00	3370	48	280,431.00
June 2009	87.00	92.60	77.95	78.00	7106	89	609,713.00
July 2009	63.05	79.80	63.05	78.30	24520	448	1,799,797.00
August 2009	78.50	82.20	70.20	75.50	18127	349	1,398,827.00
September 2009	76.00	92.50	73.00	80.00	28275	619	2,302,401.00
October 2009	80.90	84.00	72.05	72.35	32596	422	2,607,592.00
November 2009	79.00	84.00	65.20	76.00	34108	513	2,676,644.00
December 2009	77.50	85.00	64.50	84.00	64007	575	5,031,689.00
January 2010	84.50	123.00	84.50	90.00	133876	1898	13,269,668.00
February 2010	90.00	109.85	81.00	94.95	140050	762	12,834,655.00
March 2010	95.00	111.05	80.00	106.00	160445	976	16,437,644.00

**REGISTRAR AND SHARE TRANSFER AGENT**

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

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

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

**SHARE TRANSFER SYSTEM**

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

**INTERNATIONAL SECURITIES IDENTIFICATION NUMBER INE790 DO1012 (with NSDL and CDSL)****DEMATERIALISATION OF SHARES**

The shares of the company are in compulsory demat segment of both the National Securities Depository Limited and the Central Depository Services Ltd. As on March 31, 2010, 79,10,512 Equity Shares of the company, forming 72.15% of the Share Capital of the company, stand dematerialized.

**DIVIDEND HISTORY**

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

S. No.	Financial Year	% of Dividend	Total Dividend (Rs. in lacs)
1.	2000-2001	NIL	Nil
2.	2001-2002	NIL	Nil
3..	2002-2003	NIL	Nil
4.	2003-2004	15%	164.45
5.	2004-2005	15%	164.45
6..	2005-2006	15% (Interim) 15% (Final)	164.45 164.45
7.	2006-2007	20% (Interim) 20% (Final)	219.27 219.27
8.	2007-2008	20% (Interim) 20% (Final)	219.27 219.27
9.	2008-2009	15% (Interim) 15% (final)	164.45 164.45
10.	2009-2010	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	September, 2015
31st March 2009 (Interim)	30.01.2009	January, 2016
31st March 2009 (Final)	23.09.2009	September, 2016
31st March 2010 (Interim)	25.01.2010	January, 2017

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

## BANK DETAILS

Shareholders holding shares in physical form are requested to notify/send the following to the Company M/s Beetal Financial & Computer Services Pvt. Ltd. to facilitate better servicing, any change in their addresses/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 addresses as furnished by them or by NSDL/CDSL to the company, for shares held in the physical form and in the dematerialized form respectively, will be printed on dividend warrants so as to protect against fraudulent encashment.

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

## 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.



## CHL LIMITED

### DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010

Range of shares (in Rs.)	No. of shareholders	Percentage of Shareholders to total	No. of shares held	Percentage to total shareholding
Upto 5,000	1,632	87.27	1,76,580	1.6106
5,001 to 10,000	97	5.19	86,422	0.7883
10,001 to 20,000	41	2.19	68,232	0.6223
20,001 to 30,000	25	1.34	64,437	0.5877
30,001 to 40,000	3	0.16	11,171	0.1019
40,001 to 50,000	15	0.80	71,584	0.6529
50,001 to 1,00,000	13	0.70	1,01,189	0.9229
1,00,001 and above	44	2.35	1,03,84,043	94.7133
<b>TOTAL</b>	<b>1,870</b>	<b>100.00</b>	<b>1,09,63,658</b>	<b>100.0000</b>

### SHAREHOLDING PATTERN AS ON MARCH 31, 2010

CATEGORY	No. of Shareholders	No. of Shares held	Percentage of Share holding
Promoters	28	78,22,988	71.36
Banks/Financial Institutions	2	1,63,936	1.50
Private Bodies Corporate	54	1,92,744	1.76
Other NRIs/OCBs	139	23,80,676	21.71
Indian Public	1647	4,03,314	3.68
<b>TOTAL</b>	<b>1870</b>	<b>1,09,63,658</b>	<b>100.00</b>

### ADDRESS FOR CORRESPONDENCE

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

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

### R & T Agent

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

### ECONOMIC SCENARIO

The Indian Economy has witnessed unprecedented levels of economic expansion along with countries like China, Russia, Mexico and Brazil etc. India, being a cost effective and labor intensive economy, has benefited immensely from outsourcing of work from developed countries, and a strong manufacturing and export oriented industrial structure. With the economic pace picking up, global commodity price have staged a comeback from their lows and global trade has also seen healthy growth.

The global economy seems to be recovering after the recent economic shock. The Indian economy, however, was hit in the later part of the global recession and the real economic growth witnessed a sharp fall, followed by lower exports, lower capital outflow and corporate restructuring. It is expected that the global economies will continue to sustain in the short-term, as the effect of stimulus programs is yet to bear fruit and tax cuts are working their way through the system in 2010.

## **HOSPITALITY SECTOR**

A touch of tenderness, a helping hand, a welcoming visage of the Indian Hospitality Sector is certainly a most apt replication of the belief 'Guest is God'. Efforts are always made for providing quality products and services at the affordable prices.

Hotel and Hospitality industries are among the biggest employment generation in the Country. Since the travelers or taking new interest in the Country, players in the hospitality sector have had to offer the best services at affordable price.

The Indian Hospitality Industry is projected to grow at a rate of 8.8% between 2007-2016. Government is also taking steps for the development of this sector by substantially upgrading the regional airports in smaller towns and privatization and expansion of Delhi and Mumbai airport. This will improve the business prospects of the hotel industry.

According to the World Travel and Tourism Council (WTTC) the growth of hospitality industry is pegged 15%. According to the Tourism Satellite Accounting (TSA) research, released by WTTC, the demand for travel and tourism in India is expected to grow by 8.2% and the India's travel and tourism sector is expected to be the second largest employer.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

Hotel The Suryaa, a 5-Star Deluxe Hotel owned by CHL Limited is located at New Friends Colony in South Delhi at a distance of 20 minutes drive from Connaught Place and 40 minutes drive from the domestic airport.

The 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.

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

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

### **(c) Risk and concerns**

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

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

The company's financial performance for the year under review is not impressive as compared to last year's performance due to aftermath of economic recession. The turnover of the company is lower by 12.86 % as compared to the previous year's turnover. Operating Profit and Net Profit after Tax for the year under review are lower by 11.77 % and 14.01 % respectively over the previous year's profit. It is hoped that in the coming years the situation will improve.





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

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

**(f) Cautionary Statement**

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

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

**CERTIFICATE BY CEO/CFO**

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended March 31, 2010:

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 30, 2010

**COMPLIANCE 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.

**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 31<sup>st</sup> March, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that no investor grievances are pending for the period exceeding one month against the company as per the records maintained by the Shareholders' Grievances Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

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

**ARVIND CHADHA  
Proprietor**

**FCS: Membership No. 5271**

New Delhi

Date : July 30, 2010



**AUDITORS'REPORT**

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

We have audited the attached Balance Sheet of M/s. CHL LIMITED, as at 31st March 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956; 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, 2010 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, 2010; and
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended March 31, 2010.
  - (c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**(GULSHAN RAI)  
PROPRIETOR**

**MEMBERSHIP NO. 3921**

PLACE : NEW DELHI

Date : July 30, 2010

**ANNEXURE  
(TO THE AUDITORS' REPORT DATED 30-07-2010)**

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 31<sup>st</sup> March 2010 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 31<sup>st</sup> March 2010 on account of disputes with the related authorities.



## CHL LIMITED

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount related	Forum where dispute is pending
1	Income-tax Act 1961	Income tax	3381982	AY 1999-00	Pending appeal to ITAT
2	Income-tax Act 1961	Income tax	5176278	AY 2000-01	-do-
3	Income-tax Act 1961	Income tax	10000	AY 2001-02	ITAT
4	Income-tax Act 1961	Income tax	8613730	AY 2005-06	ITAT
5	Income-tax Act 1961	Income tax	5487865	AY 2006-07	CIT (Appeal)
6	Income-tax Act 1961	Income tax	13189342	AY 2007-08	CIT (Appeal)
7	Income-tax Act 1961	Income tax	20974727	FY 2002-03 To FY 2005-06	ITO u/s 154 & CIT (A)

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

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

(GULSHAN RAI)  
PROPRIETOR

MEMBERSHIP NO. 3921

PLACE : NEW DELHI

Date : July 30, 2010



**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
Shareholder's Funds					
Capital	1	10,96,36,580		10,96,36,580	
Reserves and Surplus	2	66,92,32,284	77,88,68,864	59,33,70,561	70,30,07,141
<b>Loan Funds</b>					
Secured Loans	3		29,95,87,324		30,47,60,188
Deferred Tax Liabilities			5,56,13,973		5,64,00,966
Security deposit			2,11,11,295		2,17,68,795
<b>TOTAL</b>			<b>1,15,51,81,456</b>		<b>1,08,59,37,090</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4	90,01,62,583		88,37,47,366	
Less: Depreciation		37,57,18,671		33,36,06,232	
Net Block		52,44,43,912		55,01,41,134	
Capital Work in progress		1,20,76,177	53,65,20,089	2,08,39,844	57,09,80,978
Investments	5		25,10,27,127		6,73,15,206
Current Assets, Loans and advances					
Inventories	6	3,12,07,314		3,33,27,068	
Sundry Debtors		5,79,40,884		4,65,13,366	
Cash and Bank Balances		22,02,88,397		22,18,11,901	
Loans and Advances		17,26,99,160		26,74,74,697	
		48,21,35,755		56,91,27,032	
Less Current Liabilities and Provisions					
Current Liabilities		7,76,84,368		8,66,95,531	
Provisions		3,68,17,147		3,49,30,838	
	7	(11,45,01,515)		(12,16,26,369)	
<b>Net current Assets</b>			<b>36,76,34,240</b>		<b>44,75,00,663</b>
<b>Miscellaneous Expenditure</b>					
(To the extent not written off or adjusted)					
Deferred Revenue Expenditure			-		1,40,243
<b>TOTAL</b>			<b>1,15,51,81,456</b>		<b>1,08,59,37,090</b>
Notes to the Accounts	16				

As per our report of even date attached

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

**(Gulshan Rai)**  
Proprietor  
Membership No. 3921

New Delhi  
Date : July 30, 2010

For and on behalf of the Board of Directors

**O.P. BAJAJ**  
Director

**G. J. VARADARAJAN**  
Company Secretary

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

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



# CHL LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010 Rs.	For the Year ended 31st March, 2009 Rs.
<b>INCOME</b>			
Rooms, Food, Beverage, Smokes & Other Services	8	<b>70,36,97,358</b>	82,09,27,291
Other Income	9	<b>3,68,80,469</b>	2,89,55,240
		<b>74,05,77,827</b>	<b>84,98,82,531</b>
<b>EXPENDITURE</b>			
Consumption of Provisions, Wines & Smokes	10	<b>7,07,62,570</b>	7,26,42,424
Payment to and provision for employees	11	<b>14,56,75,050</b>	16,80,25,459
Operating & General Expenses	12	<b>22,69,45,466</b>	26,49,73,664
Selling Expenses	13	<b>4,37,16,592</b>	5,69,28,952
Financial Expenses	14	<b>3,81,04,963</b>	3,54,03,928
		<b>52,52,04,641</b>	<b>59,79,74,427</b>
Profit before depreciation , Provision for Taxation & Deferred Revenue Expenditure		<b>21,53,73,186</b>	25,19,08,104
Depreciation		<b>4,21,12,440</b>	3,38,31,398
Deferred Revenue Expenditure		<b>1,40,243</b>	1,40,238
<b>Profit /(Loss) before Tax</b>		<b>17,31,20,503</b>	21,79,36,468
Provision for Taxes	15	<b>5,89,27,243</b>	8,51,24,434
<b>Profit/(Loss) for the year</b>		<b>11,41,93,260</b>	13,28,12,034
Adjustment of last year's provision		<b>1,49,259</b>	(22,18,619)
Profit and (Loss) brought from last year		<b>34,22,76,436</b>	28,01,63,816
<b>Profit/(Loss) available for appropriation</b>		<b>45,66,18,955</b>	41,07,57,231
<b>APPROPRIATIONS</b>			
Transferred to General Reserve		<b>3,00,00,000</b>	3,00,00,000
Proposed & Interim Dividend		<b>3,28,90,974</b>	3,28,90,974
Income Tax on Interim & Proposed Dividend		<b>55,89,822</b>	55,89,821
<b>Balance carried to Balance Sheet</b>		<b>38,81,38,159</b>	<b>34,22,76,436</b>
<b>Earnings Per Share</b>			
Basic/Diluted earnings per share		10.42	12.11
Face value per share		10	10

As per our report of even date attached

For and on behalf of the Board of Directors

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

**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 30, 2010





**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
<b>A) Cash Flow From Operating Activities</b>		
<b>Net Profit before Tax &amp; Extraordinary Items</b>	<b>1,731.20</b>	2,179.36
Adjustments for		
Depreciation	421.12	338.31
Dividend Income	(0.01)	(2.36)
Misc. Expense Written off	1.40	1.40
Extra Ordinary Items	-	-
Loss/(Profit) on Sale of Assets	-	(0.56)
Scrapped/Discarded Assets written off	-	11.10
Profit on sale of Investment	(30.67)	270.33
Interest Expenditure	381.04	354.04
Interest Received	(268.77)	(196.65)
<b>Operating Profit before Working Capital Changes</b>	<b>2,235.31</b>	2,954.96
Adjustments for		
(Increase) Decrease in Inventories	21.20	47.60
Increase (Decrease) in Trade Payables & Provisions	(111.62)	(195.58)
(Increase) Decrease in Trade & Other Receivables	(119.86)	21.20
(Increase) Decrease in Loans & Advances	(166.22)	3.58
<b>Cash generated from Operations</b>	<b>1,858.81</b>	2,831.76
Income Tax (Paid)/Refund	(552.13)	(844.14)
<b>Net Cash from Operating Activities</b>	<b>(A) 1,306.68</b>	1,987.62
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(76.53)	(397.76)
Sale of Fixed Assets	-	23.61
Inter-corporate Deposit	-	390.00
Purchase of Investment	(0.10)	(50.00)
Investment in Subsidiary	(1,950.01)	-
Sale of Investments	143.67	250.08
Advance to Associate Companies	1,122.36	(236.20)
Interest Received	268.77	196.65
Dividend Received	0.01	2.36
<b>Net Cash used in Investing Activities</b>	<b>(B) (491.83)</b>	178.74
<b>C) Cash Flow from Financing Activities</b>		
Interest Paid	(381.04)	(354.03)
Increase / (Decrease) in Security Deposit	(6.57)	18.71
Dividend Paid	(334.86)	(383.72)
Dividend Tax Paid	(55.90)	(68.32)
Increase / (Decrease) in long term Borrowing	(354.00)	(561.74)
Increase / (Decrease) in Short term Loan	302.28	123.56
<b>Net Cash used in Financing Activities</b>	<b>(C) (830.09)</b>	(1,225.54)
<b>Net increase/ decrease in cash and cash equivalents</b>	<b>(A+B+C) (15.24)</b>	940.82
<b>Cash &amp; Cash Equivalent (Opening Balance)</b>	<b>2,218.12</b>	1,277.30
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<b>2,202.88</b>	2,218.12

**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 31<sup>st</sup> March 2010 and the related Profit and Loss Account for the year ended on that date.
- Previous year figures has been regrouped and rearranged wherever necessary in order to confirm to this year's presentation.

As per our report of even date attached

For and on behalf of the Board of Directors

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

**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 30, 2010





# CHL LIMITED

## SCHEDULE 1 TO 16 - ANNEXURE TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
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### SCHEDULE - 1 SHARE CAPITAL

<b>Authorised</b>			
3,00,00,000	Equity Shares of Rs. 10/- each (Previous Year 3,00,00,000)	<u>30,00,00,000</u>	<u>30,00,00,000</u>
<b>Issued, Subscribed and Paid up</b>			
1,09,63,658	Equity Shares of Rs. 10/- each (Previous Year 1,09,63,658)	<u>10,96,36,580</u>	<u>10,96,36,580</u>
		<u>10,96,36,580</u>	<u>10,96,36,580</u>

### SCHEDULE - 2 RESERVES AND SURPLUS

<b>CAPITAL RESERVE</b>			
	As per last Balance Sheet	94,125	94,125
<b>CAPITAL REDEMPTION RESERVE</b>			
	As per last Balance Sheet	1,10,00,000	1,10,00,000
<b>GENERAL RESERVE</b>			
	As per last Balance Sheet	24,00,00,000	21,00,00,000
	Add Transferred from Profit & Loss Account	<u>3,00,00,000</u>	<u>3,00,00,000</u>
		27,00,00,000	24,00,00,000
<b>PROFIT &amp; LOSS ACCOUNT</b>		<u>38,81,38,159</u>	<u>34,22,76,436</u>
<b>TOTAL</b>		<u>66,92,32,284</u>	<u>59,33,70,561</u>

### SCHEDULE - 3 LOAN FUNDS

#### **SECURED LOANS**

Term Loan	19,56,19,950	22,66,66,672
Hire Purchase Loan	75,29,097	1,18,83,265
Overdraft from Banks	<u>9,64,38,277</u>	<u>6,62,10,251</u>
	<u>29,95,87,324</u>	<u>30,47,60,188</u>
	<u>29,95,87,324</u>	<u>30,47,60,188</u>

#### **Notes :**

- Term Loan of Rs.303.42 lacs (Previous Year NIL) Is secured by pari passu charge over entire present & future Fixed Assets of the company and Rs. 1652.78 lacs (Previous Year 2266.67 lacs) is secured by paripassu charge over entire fixed assets and exclusive charge on current assets. (Repayable in one year Rs. 861.11 lacs , Previous Year Rs. 608.89 lacs)
- Hire purchase loans are against hypothecation of vehicles. (Repayable in one year Rs. 45.45 lacs, Previous year Rs. 43.67 lacs)
- Overdraft facility is against pledge of fixed deposit aggregating to Rs. 1856.84 lacs (Previous Year Rs. 2024.81lacs)

(Figures in Rs.)

**SCHEDULE - 4 FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009	Additions during the year	Sales/ Transfer	As at 31.03.2010	As on 01.04.2009	During the year	Adjustments/ Transfer	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land (Leasehold)	5,75,69,933	23,60,838	-	5,99,30,771	-	-	-	-	5,99,30,771	5,75,69,933
Land & Building (Noida)	2,34,07,764	3,20,244	-	2,37,28,008	-	-	-	-	2,37,28,008	2,34,07,764
Building	28,83,23,886	-	-	28,83,23,886	5,22,01,107	48,22,341	-	5,70,23,448	23,13,00,438	23,61,22,779
Plant & Machinery	30,96,47,652	1,18,51,835	-	32,14,99,487	18,85,89,107	1,79,62,195	-	20,65,51,302	11,49,48,185	12,10,58,545
Plant & Machinery (Noida)	90,90,010	-	-	90,90,010	-	-	-	-	90,90,010	90,90,010
Furniture, Fixture and Fitting	10,95,50,635	12,93,312	-	11,08,43,947	6,79,23,916	1,04,31,373	-	7,83,55,288	3,24,88,659	4,16,26,719
Office & Other Equipments	92,16,568	2,03,190	-	94,19,758	13,48,257	4,99,671	-	18,47,928	75,71,830	78,68,311
Computers	1,55,58,818	3,85,798	-	1,59,44,616	42,74,052	25,65,560	-	68,39,612	91,05,004	1,12,84,766
Vehicles	6,13,82,100	-	-	6,13,82,100	1,92,69,793	58,31,300	-	2,51,01,093	3,62,81,007	4,21,12,307
<b>TOTAL - Current Year</b>	<b>88,37,47,366</b>	<b>1,64,15,217</b>	<b>-</b>	<b>90,01,62,583</b>	<b>33,36,06,232</b>	<b>4,21,12,440</b>	<b>-</b>	<b>37,57,18,671</b>	<b>52,44,43,912</b>	<b>55,01,41,134</b>
Previous Year	85,37,27,144	3,67,55,975	67,35,753	88,37,47,366	30,30,95,584	3,38,31,398	33,20,751	33,36,06,231	1,20,76,177	2,08,39,844
Capital Work in Progress										
<b>TOTAL</b>									<b>53,65,20,089</b>	<b>57,09,80,978</b>



## CHL LIMITED

As at  
31st March, 2010  
Rs.

As at  
31st March, 2009  
Rs.

### **SCHEDULE - 5 INVESTMENTS (AT COST)**

#### LONG TERM INVESTMENTS

##### **In Equity Shares (Quoted & Fully Paid)**

500 Advani Hotels & Resorts (India) Ltd. Of Rs.2/- each (Previous Year 500)	560	560
Asian Hotel Ltd. Of Rs.10/- each (Previous Year 50) transferred to Scheme of Arrangement & Demerger as follows	-	3,500
25 Asian Hotel (East) Ltd. Of Rs.10/- each (Previous Year NIL)	1,167	-
25 Asian Hotel (North) Ltd. Of Rs.10/- each (Previous Year NIL)	1,167	-
25 Asian Hotel (West) Ltd. Of Rs.10/- each (Previous Year NIL)	1,166	-
50 EIH Associate Hotels Ltd. Of Rs.10/- each (Previous Year 50)	520	520
75 EIH Ltd. Of Rs.2/- each (Previous Year 75)	2,096	2,096
50000 Essar Steel Ltd of Rs. 10/- each (Previous Year 50000)	21,63,196	21,63,196
250 Hotel Leela Venture Ltd. Of Rs.2/- each (Previous Year 250)	730	730
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
Jaypee Hotels Ltd/- of Rs. 10/- each (Previous Year 10)	-	854
15 Jaiprakash Associates Ltd.of Rs. 2/- each on merger of Jaypee Hotels Ltd and Bonus issue 5 shares (Previous Year Nil)	854	-
5000 Morepen Laboratories Ltd. of Rs. 2/- each (Previous Year 5000)	74,800	74,800
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 28800)	62,77,010	62,77,010
100 Royal Manor Hotels & Industries Ltd. Of Rs.10/- each (Previous Year 100)	165	165
Sabero Organics Limited of Rs.10/- each (Previous Year 8200)	-	274,201
100 Sayaji Hotel Ltd. Of Rs.10/- each (Previous Year 100)	205	205
10 Taj GVK Hotels & Resorts Ltd of Rs.2/- each (Previous Year 10)	2,691	2,691
	<b>86,28,306</b>	<b>89,02,507</b>

##### **In Equity Shares (Unquoted & Fully Paid)**

150 Bharat Hotel Ltd. Of Rs.10/- each (Previous Year 150)	1,386	1,386
100 KMAHP Pvt Ltd. Of Rs.10 each (Previous Year 100)	1,000	1,000
1000 Jagriti Hydro Power Pvt Ltd Of Rs.10/- each (Previous Year Nil)	10,000	-
324500 Jaipur Stock Exchange of Rs. 10/- each (Previous Year 324500)	58,41,000	58,41,000
Anand Infodage Pvt Ltd of Rs. 10/-each (Previous Year 200)	-	25,000
	<b>58,53,386</b>	<b>58,68,386</b>

##### **In Equity Shares (Unquoted & Fully Paid) - In Subsidiary**

210269 CHL International of Somoni 100 each(Previous Year 27650)	23,44,45,435	3,94,44,313
	<b>23,44,45,435</b>	<b>3,94,44,313</b>

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

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
	<b>11,00,000</b>	<b>11,00,000</b>

##### **In Mutual Funds**

In Units/Mutual Funds (NAV Quoted and Fully Paid)		
100000 Osian Art Fund	10,00,000	10,00,000
DSP ML Micro Cap Fund	-	90,00,000
HDFC Midcap Opportunity Fund	-	20,00,000
	<b>10,00,000</b>	<b>1,20,00,000</b>

#### **TOTAL**

**25,10,27,127**                      **6,73,15,206**

	Book Value	Market Value	Book Value	Market Value
AGGREGATE VALUE OF Quoted Investments	96,28,306	72,88,740	2,09,02,507	1,53,94,390

#### **Sale and Purchase during the year**

	No.	Sales Value	No.	Purchase Cost
Mutual Fund Redemption during the year	11,00,000	1,10,00,000	NIL	NIL
Quoted Shares sale during the year	8,200	2,99,201	NIL	NIL

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.	As at 31st March, 2009 Rs.	As at 31st March, 2009 Rs.
<b>SCHEDULE - 6 CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
<b>A. Current Assets</b>				
<b>I. Inventories ( at cost or realisation value whichever is lower and as certified by the Management)</b>				
i) Chinaware, Glassware, Silverware ,Linen etc	1,18,50,233		1,14,31,589	
ii) Kitchen Accessories	71,26,128		75,84,746	
iii) Provision, Food, Beverages etc.	86,63,059		1,04,95,160	
iv) General Stores and Spares	35,67,894	3,12,07,314	38,15,573	3,33,27,068
<b>II. SUNDRY DEBTORS</b> (Unsecured considered Good)				
i) Outstanding for over Six Months	21,43,858		17,381	
ii) Outstanding over Six Months (Doubtful)	80,95,511		38,58,889	
ii) Others	4,77,01,515	5,79,40,884	4,26,37,096	4,65,13,366
<b>III. CASH AND BANK BALANCES</b>				
i) Cash & Cheques on Hand	2,82,00,146		8,24,527	
ii) Scheduled Banks				
a) In current Accounts	47,41,552		1,53,46,557	
b) In fixed deposits Accounts	18,73,46,699	22,02,88,397	20,56,40,817	22,18,11,901
<b>B. LOANS AND ADVANCES</b> (Unsecured-considered good)				
Advances recoverable in cash or kind or for value to be received considered good				
Advances to Subsidiary	4,72,85,842		15,95,22,565	
Other advances	8,99,78,728		7,33,57,689	
Security Deposits	26,08,872		24,85,152	
Prepaid Expenses	1,14,37,757		1,10,03,449	
Income Tax Refundable	2,13,87,961	17,26,99,160	2,11,05,842	26,74,74,697
		<b>48,21,35,755</b>		<b>56,91,27,032</b>
<b>SCHEDULE - 7 CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A CURRENT LIABILITIES</b>				
Sundry Creditors	7,50,13,172		8,34,27,917	
Unclaimed Dividend	26,71,196	7,76,84,368	32,67,614	8,66,95,531
<b>B PROVISIONS</b>				
i) Provision for Taxation	46,33,938		-	
ii) Proposed Dividend	1,64,45,487		1,64,45,487	
iii) Income Tax on Proposed Dividend	27,94,911		27,94,910	
iv) Provision for Employee Benefits	1,29,42,811	3,68,17,147	1,56,90,441	3,49,30,838
		<b>11,45,01,515</b>		<b>12,16,26,369</b>

**CHL LIMITED**For the year ended  
31st March, 2010For the year ended  
31st March, 2009

Rs. Rs. Rs. Rs.

**SCHEDULE - 8 INCOME FROM ROOMS, FOOD, BEVERAGE, SMOKES & OTHER SERVICES**

Rooms	38,80,46,292	49,66,78,297
Food, Beverage & Smokes	18,67,34,360	20,02,44,110
Wine & Liquor	3,36,99,087	3,98,87,742
Licence Fee	5,44,57,749	4,61,96,583
Telex & Telephones	1,31,48,688	92,67,541
Health Club & Beauty Parlour	1,06,56,239	1,26,04,768
Other Services	1,69,54,943	1,60,48,250
	<u>70,36,97,358</u>	<u>82,09,27,291</u>

**SCHEDULE-9 OTHER INCOME**

Interest earned	2,68,77,104	1,96,65,506
Dividend Income	620	2,36,441
Scrap & Other Income	57,10,061	71,78,324
Profit on Sale of Investment	30,67,420	-
Excess Provisions & Miscellaneous Income	12,25,264	18,18,630
	<u>3,68,80,469</u>	<u>2,89,55,240</u>

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

Opening Stock	22,60,238	20,74,442
Add: Purchases	5,78,55,973	5,58,29,099
	<u>6,01,16,211</u>	<u>5,79,03,541</u>
Less : Closing stock	24,94,373	5,76,21,838
		<u>22,60,238</u>
		5,56,43,303

**B. WINE & LIQUOR**

Opening Stock	82,34,922	1,24,75,233
Add: Purchases	1,10,74,496	1,27,58,810
	<u>1,93,09,418</u>	<u>2,52,34,043</u>
Less : Closing Stock	61,68,686	1,31,40,732
		<u>82,34,922</u>
		1,69,99,121
	<u>7,07,62,570</u>	<u>7,26,42,424</u>

**SCHEDULE-11 PAYMENT OT AND PROVISION FOR EMPLOYEES**

Salaries, Wages, Stipend & Bonus	11,99,61,162	13,27,62,102
Contribution to Provident, Gratuity & Other Funds	1,26,67,048	2,02,40,544
Employees Welfare Expenses	1,30,46,840	1,50,22,813
	<u>14,56,75,050</u>	<u>16,80,25,459</u>





## CHL LIMITED

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	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
<b><u>SCHEDULE - 14 FINANCIAL EXPENSES</u></b>				
i) Interest on Term Loan		2,09,53,019		2,64,97,763
ii) Interest on working capital & others		1,59,50,598		76,73,585
iv) Bank Charges		12,01,346		12,32,580
		<u>3,81,04,963</u>		<u>3,54,03,928</u>

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### **SCHEDULE - 15 PROVISION FOR TAXES**

- Provision for Income Tax		5,94,56,717		7,97,74,087
- Provision for Fringe Benefit Tax		-		28,50,289
- Provision for Wealth Tax		2,57,519		287,290
- Provision for Deferred Tax		(7,86,993)		22,12,768
<b>Total Provision</b>		<u>5,89,27,243</u>		<u>8,51,24,434</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 2010

#### **A) BASIS OF ACCOUNTING**

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

#### **B) FIXED ASSETS AND DEPRECIATION**

1. Fixed assets are stated at cost, less depreciation/amortization and impairment losses if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use. Capital work in progress comprises of advances to suppliers/service providers and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalized upon the commencement of commercial operation.
2. 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, if material.
4. Depreciation is provided on straight-line method basis in accordance with the provisions of section 205 (2) (b) of the Act, in the manner and at the rates specified in Schedule XIV of the said Act.
5. Intangible Assets are depreciated on straight line method over the useful life thereof, which is taken as three years.

#### **C) IMPAIRMENT OF ASSETS**

The carrying amounts of the asset(s) are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and, where carrying amounts exceed the recoverable amount, the assets 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 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 wherever considered necessary, if material. 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**

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

**i. Defined Contribution Plan**

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

**ii. Defined Benefit Plan**

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

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

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

**K) RECOGNITION OF INCOME & EXPENDITURE**

- i. Sales and Services are stated net of discount / allowances.
- ii. Claims recoverable / payable are recognized to the extent admitted. As per practice consistently followed, license fee from shops is recognized in the year of receipt. 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 other income. Scrap value is recognized, if material.

L) CONTINGENT LIABILITIES

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

M) TAXATION

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

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

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

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

II. NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of	<b>2009-2010</b> <b>(Rs. in lacs)</b>	2008-2009 (Rs. in lacs)
i) Demands / Claims not acknowledged as debt or which are under litigation	<b>8.00*</b>	8.00*
ii) Bank Guarantees furnished	<b>NIL</b>	31.58
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	<b>568.34</b>	316.81

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

2. MICRO AND SMALL ENTERPRISES

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

3. 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 has not been under use.

4. Estimated amount of contracts remaining to be executed on capital account, net of advances, is Rs. 30.35 Lacs (previous year 294.94 Lacs).

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

6. 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.

7. The Fixed Deposit consist of Rs. 2.78 lacs pledged with State Government Authorities, Rs. 13.75 Lacs with Suppliers, Rs. 0.10 Lacs with Consumer Court and Rs. 1856.84 Lacs with bank against overdraft facility.

8. EMPLOYEES BENEFITS

Defined Contribution Plans

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



## CHL LIMITED

### Defined Benefit Plans

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

<b>I. Assumptions</b>	<b>2009-2010</b>	2008-2009
Discount Rate	<b>8.00 %</b>	8.00%
Rate of increase in Compensation levels	<b>6.00 %</b>	6.00%
Superannuation age	<b>58 yrs</b>	58 yrs
Mortality		LIC(1994-96)Ultimate
<b>II. Table Showing Change in Benefit Obligation</b>		
Projected Benefit Obligations (PBO) at the beginning of the year	<b>88,38,000</b>	53,07,000
Interest Cost	<b>6,79,199</b>	3,95,643
Service Cost	<b>8,33,937</b>	8,42,665
Benefits paid	<b>(6,96,014)</b>	(7,22,936)
Actuarial (gain) loss on obligations	<b>(16,06,122)</b>	30,15,628
PBO at the end of the year	<b>80,49,000</b>	88,38,000
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	<b>6,96,014</b>	7,22,936
Benefits paid	<b>(6,96,014)</b>	(7,22,936)
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
<b>IV. Tables of change in Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions/Transfers	<b>6,96,014</b>	7,22,936
Benefits paid	<b>(6,96,014)</b>	(7,22,936)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
<b>V. Funded Status</b>	<b>(80,49,000)</b>	(88,38,000)
<b>VI. Limits of Corridor not considered since total actuarial gain/loss is being recognized</b>		
Actuarial gain/(loss) for the year – Obligation	<b>16,06,122</b>	(30,15,628)
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	<b>16,06,122</b>	(30,15,628)
Actuarial (gain)/loss recognized	<b>(16,06,122)</b>	30,15,628
Unrecognized actuarial gains (losses) at the end of the year	-	-
<b>VII. The Amounts to be recognized in Balance Sheet and Income Statement and the related analysis</b>		
Present Value of Obligation	<b>80,49,000</b>	88,38,000
Fair value of Plan Assets	-	-
Difference	<b>80,49,000</b>	88,38,000
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	<b>80,49,000</b>	88,38,000
<b>VIII. Net Periodic Cost</b>		
Current Service Cost	<b>8,33,937</b>	8,42,665
Interest Cost	<b>6,79,199</b>	3,95,643
Expected Return on Plan Assets	-	-

Net Actuarial (gain) loss recognised in the year	<b>18,55,278</b>	30,15,628
Expenses Recognised in the Income Statement	<b>(92,986)</b>	42,53,936

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

Opening Net Liability	<b>88,38,000</b>	53,07,000
Expense as above	<b>(92,986)</b>	42,53,936
Contributions/Transfers	<b>(6,96,014)</b>	(7,22,936)
Closing Net Liability	<b>80,49,000</b>	88,38,000

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

10. Political Contribution **5.00** NIL

**11. Related party transactions**

- Subsidiary Company CHL International
- Associate Companies CHL (South) Hotels Limited  
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 Technocrat Developer Pvt Ltd.  
United Overseas

Name of Party	Relationship	Nature of Transaction	Transaction Value (Rs. in lacs)	Bal. as on 31/03/2010* (Rs. in lacs)	Bal. as on 31/03/2009* (Rs. in lacs)
a) United Overseas	A firm in which Director's relative is partner	Purchase of Goods	12.00	<b>(1.02)</b>	(1.14)
b) Mohan Meakin Ltd.	A company in which Director is Director	-do-	0.10	<b>NIL</b>	(0.10)
c) CHL International	Subsidiary	- Advance - Investment	828.49 1,950.01	<b>472.86</b> <b>2,344.45</b>	1,595.20 394.44
d) CHL Biotech Pvt. Ltd.	An associate Company	- Advance	5.00	<b>NIL</b>	5.00

\* FIGURES IN BRACKET INDICATE PAYABLE

**12. Managerial Remuneration to Directors**

Particulars	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Salary & Allowances	<b>172.00</b>	160.00
Contribution to P.F.	<b>12.96</b>	12.00
Other benefit/perquisites	<b>2.80</b>	2.80
Commission to Directors	<b>NIL</b>	145.61
Sitting Fee to other Directors	<b>8.00</b>	9.60



## CHL LIMITED

13.	<b>EARNING PER SHARE</b>		
	Profit after Taxation	<b>1,141.93</b>	1,328.12
	Weighted average number of equity shares outstanding	<b>109.64</b>	109.64
	Basic & Diluted earning per share in rupee (face value – Rs. 10/- per share)	<b>10.42</b>	12.11
14.	<b>DEFERRED TAX LIABILITIES</b>		
	(A) Deferred Tax Liability		
	Depreciation on Fixed Assets	<b>564.35</b>	578.26
	Deferred Revenue Expenditure to the extent not amortised	-	0.47
	Total (A)	<b>564.35</b>	578.73
	(B) Deferred Tax Asset		
	Disallowance u/s 43 (B) of Income Tax	<b>8.21</b>	14.73
	Total (B)	<b>8.21</b>	14.73
	<b>Net Deferred Tax Liabilities (A-B)</b>	<b>556.14</b>	564.00
15.	A. The company has been exempted vide order No. 46/222/2008/CL-III dated 05/02/2009 of Ministry of Company 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	<b>2009-2010</b>	2008-2009
		<b>(Rs. in lacs)</b>	(Rs. in lacs)
	a) Food & Beverage	<b>Nil</b>	Nil
	b) Wine & Liquor – through canalizing agencies.	<b>29.00</b>	64.79
	c) Components and spare parts	<b>Nil</b>	4.23
	d) Capital Goods	<b>Nil</b>	114.05
	C. Expenditure in Foreign Currency – on payment basis		
	i. Technical Services	<b>127.31</b>	207.99
	ii. Others	<b>90.73</b>	155.68
	D. Earning in Foreign Exchange – on receipt basis		
	On account of hotel services	<b>2,443.10</b>	3,483.07
	E. <b>Remittance in Foreign Currency on account of Dividend to non resident shareholders</b>		
	The particulars of dividend remitted, including to Non Resident External Account (NRE) are given below:		
	<b>Final Dividend</b>	<b>Current Year</b>	Previous Year
	1. No. of Non Resident shareholders	<b>141</b>	145
	2. No. of equity shares held by them	<b>88,39,236</b>	88,08,282
	3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	<b>96.86</b>	129.15
	4. Amount of Rupees (in lakhs) remitted to banks in India.	<b>35.72</b>	47.02
	5. Year to which Relates	<b>2008-09</b>	2007-08
	<b>Interim dividend</b>		
	1. No. of Non Resident shareholders	<b>144</b>	151
	2. No. of equity shares held by them	<b>88,39,681</b>	94,80,492
	3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	<b>96.86</b>	96.86
	4. Amount of Rupees (in lakhs) remitted to banks in India.	<b>35.73</b>	45.35
	5. Year to which Relates	<b>2009-10</b>	2008-09
16.	Amount transferred to investor education and protection fund as required under section 205 C of the Companies Act as Rs. NIL (Previous Year Nil)		
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	31.03.2010

**b. Capital raised during the year**

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

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

Total Liabilities	11551.81
Total Assets	11551.81

**SOURCE OF FUNDS**

Paid-up Capital	1096.37
Reserve & Surplus	6692.32
Secured Loans	2995.87
Unsecured Loans (Security Deposits)	211.11
Deferred Tax (Net)	556.14

**APPLICAION OF FUNDS**

Net Fixed Assets	5365.20
Investments	2510.27
Net Current Assets	3676.34

**d. Performance of the Company**

Turnover	7405.78
Total Expenditure	5674.57
Profit / (Loss) before Tax	1731.21
Profit / (Loss) after Tax	1141.93
Earning per share	10.42
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 30, 2010



## **DIRECTORS' REPORT**

### **To the Members of CHL International**

Your Directors have pleasure in presenting the Annual Report along with the Audited Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2010.

### **Project**

As you aware, your company is setting up of a Hotel-Cum Commercial Complex in Dushanbe, Tajikistan. The construction of the hotel building is in progress and the efforts are being taken for the completion of all the services well in time and it is expected that your company will commence its operation by September 2011.

The total project cost of the hotel is US \$ 29.08 million (126.72 million somoni). Out of it, its equity component is US \$ 11.08 million (48.42 million somoni) and loan component is US \$ 18.00 million (78.30 million somoni). Export Import Bank of India has sanctioned a term loan of US \$ 18.00 million for part financing/setting up of/developing hotel in Tajikistan. Your company so far issued shares worth US \$ 5.72 million (25 million somoni) to promoter shareholders as equity contribution.

Your company becomes subsidiary to CHL Limited with effect from 30.10.2009 by acquiring additional interest in your company.

### **Directors**

The Board of Directors comprises of Dr. L. K. Malhotra, Mr. D. V. Malhotra, Mr. Luv Malhotra, Mr. Gagan Malhotra, and Mr. Lalit Bhasin. Mr. N. K. Goel resigned from the directorship of the company w.e.f 04.12.2009.

### **Dividend**

Company has not yet started any operational activity. Hence, the Directors of your company are unable to recommend any dividend for the year under review.

### **Particulars of Deposit**

Your company has not accepted any deposit from the public during the year under review.

### **Additional Information**

Information pertaining to Section 217 (1)(e) and 217 (2A) of the Indian Companies Act 1956 are not applicable.

### **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.
- (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.

### **Auditors' Report**

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



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**Auditors**

M/s G Rai & Co. Chartered Accountants Auditors of the company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received from them a Certificate to the effect their re-appointment if made, will be in accordance with the limits specified under section 224(1) (B) of the Companies Act, 1956

**Acknowledgements**

Your Directors wish to thank Government of India, Government of Tajikistan, Export Import Bank of India and other Government Bodies for their cooperation and support.

**For and on behalf of the Board**

**Dr. L. K. Malhotra**  
Chairman cum Chief Executive Officer

New Delhi

Date : July 30, 2010





**AUDITORS'REPORT**

**THE SHAREHOLDERS,  
CHL INTERNATIONAL**

We have audited the attached Balance Sheet of M/s. CHL INTERNATIONAL, as at 31st March 2010 and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
  - (b) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**(GULSHAN RAI)**

**PROPRIETOR**

**MEMBERSHIP NO. 3921**

PLACE : NEW DELHI

Date : July 30, 2010



**BALANCE SHEET AS AT 31ST MARCH, 2010 FOR CHL INTERNATIONAL**

Schedule	Rs.	As at 31st March, 2010 Rs.
<b>SOURCES OF FUNDS</b>		
Shareholder's Funds		
Capital	1	27,87,44,650
Share Application Money Pending Allotment		8,08,49,354
<b>TOTAL</b>		<b>35,95,94,004</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block (Vehicle)	9,71,887	
Less: Depreciation	4,72,526	
Net Block	4,99,361	
Capital Work in progress	29,07,66,402	
Expenditure Pending Capitalisation	2,79,27,890	31,91,93,653
<b>Investments (Electricity Board Certificate)</b>		<b>10,358</b>
<b>Current Assets, Loans and advances</b>	<b>2</b>	
Inventories	1,43,89,017	
Cash and Bank Balances	1,06,44,206	
Loans and Advances	2,47,88,617	
	4,98,21,840	
Less Current Liabilities and Provisions	3	
Current Liabilities	94,31,847	
<b>Net Current Assets</b>		<b>4,03,89,993</b>
<b>TOTAL</b>		<b>35,95,94,004</b>
Notes to the Accounts	4	-

As per our report of even date attached

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

**(Gulshan Rai)**  
Proprietor  
Membership No. 3921

New Delhi  
Date : July 30, 2010

For and on behalf of the Board of Directors

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

**GAGAN MALHOTRA**  
Director



## CHL LIMITED

### CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2010

2009-2010  
(Rs. in lacs)

A) Cash Flow From Operating Activities		-
Adjustments for		
(Increase) Decrease in Inventories		(143.89)
Increase (Decrease) in Trade Payables & Provisions		94.32
(Increase) Decrease in Trade & Other Receivables		-
(Increase) Decrease in Loans & Advances		(247.89)
<b>Cash generated from Operations</b>		<b>(297.46)</b>
<b>Net Cash from Operating Activities</b>	<b>(A)</b>	<b><u>(297.46)</u></b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/CWIP		(3,191.94)
Sale of Fixed Assets		-
Inter-corporate Deposit		-
Capital employed		3,595.94
Purchase of Investment		(0.10)
<b>Net Cash used in Investing Activities</b>	<b>(B)</b>	<b><u>403.90</u></b>
<b>C) Cash Flow from Financing Activities</b>	<b>(C)</b>	<b><u>-</u></b>
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>		<b>106.44</b>
<b>Cash &amp; Cash Equivalent (Opening Balance)</b>		<b>-</b>
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>		<b>106.44</b>

#### Note :

1. 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 31<sup>st</sup> March 2010.
2. Previous year figures has not been given as this is first year of subsidiary.

As per our report of even date attached

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

**(Gulshan Rai)**  
Proprietor  
Membership No. 3921

New Delhi  
Date : July 30, 2010

For and on behalf of the Board of Directors

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

**GAGAN MALHOTRA**  
Director



**SCHEDULE 1 TO 4 - ANNEXURE TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010 FOR CHL INTERNATIONAL**

	Rs.	As at 31st March, 2010 Rs.
--	-----	----------------------------------

**SCHEDULE - 1 SHARE CAPITAL**

<b>Authorised</b>		
250000	Equity Shares of Somoni 100/- each	<u>27,87,44,650</u>
<b>Issued, Subscribed and Paid up</b>		
250000	Equity Shares of Somoni 100/- each	<u>27,87,44,650</u>
		<u>27,87,44,650</u>

**SCHEDULE - 2 CURRENT ASSETS LOANS & ADVANCES**

**A. Current Assets**

<b>I. Inventories of construction material</b> (as certified by the Management)		<b>1,43,89,017</b>
--	--	--------------------

**II. CASH AND BANK BALANCES**

i) Cash & Cheques on Hand	<b>15,15,338</b>	
ii) Bank Balance in Current Accounts	<u>91,28,868</u>	<b>1,06,44,206</b>

**B. LOANS AND ADVANCES**

(Unsecured-considered good)

Advances recoverable in cash or kind or  
for value to be received considered good

i) Other Advances	<b>1,39,79,744</b>	
ii) Prepaid Expenses	<b>50,894</b>	
iii) Tax Recoverable	<u>1,07,57,979</u>	<u>2,47,88,617</u>
		<u>4,98,21,840</u>

**SCHEDULE - 3 CURRENT LIABILITIES & PROVISIONS**

**Current Liabilities**

Sundry Creditors		<b>94,31,847</b>
		<u>94,31,847</u>



**SCHEDULE - 4 NOTES TO ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES**

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2010

**A) BASIS OF ACCOUNTING**

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

**B) FIXED ASSETS AND DEPRECIATION**

1. Fixed assets are stated at cost, less depreciation/amortization and impairment losses if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use.
2. Capital work in progress comprises of advances to suppliers/service providers and expenditure on construction / installation where the fixed asset is not ready for its intended use as at the balance sheet date.
3. Expenditure pending capitalization comprises of expenditure not directly allocable to any fixed asset, and preoperative expenses incurred till commencement of commercial operation. It will be apportioned amongst fixed assets in the ratio of their cost.
4. Depreciation is provided on written down method basis in accordance with the provisions of section 205 (2) (b) of the Act, in the manner and at the rates specified in Schedule XIV of the said Act.

**C) BORROWING COST**

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

**D) FOREIGN CURRENCY TRANSACTION**

1. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
2. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
3. Non monetary foreign currency items are stated at cost.

**E) INVESTMENTS**

Long term investments are carried at cost. However, provision is made to recognize a decline, other than temporary, in the value of long term investments.

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

**F) CURRENT ASSETS**

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

**G) EMPLOYEES BENEFITS**

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

**H) CONTINGENT LIABILITIES**

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

## II. NOTES ON ACCOUNTS

1. The company is incorporated in and operates under the applicable laws of the Republic of Tajikistan.
2. As the company is engaged in the construction of the hotel cum commercial complex and has not transacted any business, profit and loss has not been drawn.
3. The Government of Tajikistan has allotted land to the company for construction of Hotel cum Commercial complex and for use for a period of 10 years which period expires in November 2012. The period of allotment is renewable every 10 years but not more than 100 years.
4. Basis of Preparation and Translation into Indian Rupees
  - (i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-11 issued by ICAI on 'The Effects of Changes in Foreign Exchange Rates'. The functional currency of the Company is Somoni.
  - (ii) The translation of foreign currency into Rupees has been carried out for assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date.
5. Contingent liabilities not provided for in respect of **(Rs. in lacs)**

i) Demands / Claims not acknowledged as debt or which are under litigation	265.10
ii) Bank Guarantees furnished	NIL
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	NIL

Estimated amount of contracts remaining to be executed on capital account, net of advances, is Rs. 375.68 Lacs.
6. Deferred Tax:
 

Deferred tax liability/asset is not recognized since there are no timing differences between the carrying amount of assets and liabilities and their respective tax bases.
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. Related parties disclosures
  - i. Relationships during the year
    - a) Holding Company : CHL Ltd. India

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

**Holding Company**

    - a) Received against share application money pending allotment Rs. 472.86 Lacs
    - b) Amount received against share allotted Rs. 2,344.45 Lacs
9. Other disclosures requirements of schedule VI with the Companies Act 1956 are not applicable to the Company.
10. Previous year's figures have not been given as the company became subsidiary of CHL Ltd. India during the year.

Signatures to Schedule 1 to 4.

For and on behalf of the Board of Directors

New Delhi

**GAGAN MALHOTRA**

**Dr. L. K. MALHOTRA**

Date : July 30, 2010

Director

Chairman cum chief Executive Officer



**AUDITORS' REPORT**

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

1. We have audited the attached Consolidated Balance Sheet of CHL Limited (the Company) and its subsidiary as at March 31, 2010, the Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Financial Statement of the Subsidiary, audited by us, which has not commenced commercial operations, reflects a net assets of Rs. 3,595.94 Lacs as at 31-03-2010.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules 2006.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at March 31, 2010;
  - (b) in the case of the Profit and Loss Account, of the results of operations of the Company for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

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

**(GULSHAN RAI)**

**PROPRIETOR**

**MEMBERSHIP NO. 3921**

PLACE : NEW DELHI

Date : July 30, 2010



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>Shareholder's Funds</b>					
Capital	1	<b>10,96,36,580</b>		10,96,36,580	
Reserves and Surplus	2	<b>66,92,32,284</b>	<b>77,88,68,864</b>	<b>59,33,70,561</b>	70,30,07,141
<b>Minority Interest</b>			<b>7,78,62,727</b>		-
<b>Loan Funds</b>					
Secured Loans	3		<b>29,95,87,324</b>		30,47,60,188
<b>Deferred Tax Liabilities</b>			<b>5,56,13,973</b>		5,64,00,966
<b>Security deposit</b>			<b>2,11,11,295</b>		2,17,68,795
<b>TOTAL</b>			<b>1,23,30,44,183</b>		<b>1,08,59,37,090</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4	<b>90,11,34,470</b>		88,37,47,366	
Less: Depreciation		<b>37,61,91,197</b>		<b>33,36,06,232</b>	
Net Block		<b>52,49,43,273</b>		55,01,41,134	
Capital Work in progress		<b>30,28,42,579</b>		2,08,39,844	
Expenditure pending capitalisation		<b>2,79,27,890</b>	<b>85,57,13,742</b>	-	57,09,80,978
Investments	5		<b>1,65,92,050</b>		6,73,15,206
Current Assets, Loans and advances					
Inventories	6	<b>4,55,96,331</b>		3,33,27,068	
Sundry Debtors		<b>5,79,40,884</b>		4,65,13,366	
Cash and Bank Balances		<b>23,09,32,603</b>		22,18,11,901	
Loans and Advances		<b>15,02,01,935</b>		26,74,74,697	
		<b>48,46,71,753</b>		<b>56,91,27,032</b>	
Less Current Liabilities and Provisions					
Current Liabilities		<b>8,71,16,215</b>		8,66,95,531	
Provisions		<b>3,68,17,147</b>		3,49,30,838	
	7	<b>(12,39,33,362)</b>		<b>(12,16,26,369)</b>	
<b>Net current Assets</b>			<b>36,07,38,391</b>		44,75,00,663
<b>Miscellaneous Expenditure</b>					
(To the extent not written off or adjusted)					
Deferred Revenue Expenditure			-		1,40,243
<b>TOTAL</b>			<b>1,23,30,44,183</b>		<b>1,08,59,37,090</b>
Notes to the Accounts	16				

As per our report of even date attached

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

**(Gulshan Rai)**  
Proprietor  
Membership No. 3921

New Delhi  
Date : July 30, 2010

For and on behalf of the Board of Directors

**O.P. BAJAJ**  
Director

**G. J. VARADARAJAN**  
Company Secretary

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

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





# CHL LIMITED

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010 Rs.	For the Year ended 31st March, 2009 Rs.
<b>INCOME</b>			
Rooms, Food, Beverage, Smokes & Other Services	8	70,36,97,358	82,09,27,291
Other Income	9	3,68,80,469	2,89,55,240
		<u>74,05,77,827</u>	<u>84,98,82,531</u>
<b>EXPENDITURE</b>			
Consumption of Provisions, Wines & Smokes	10	7,07,62,570	7,26,42,424
Payment to and provision for employees	11	14,56,75,050	16,80,25,459
Operating & General Expenses	12	22,69,45,466	26,49,73,664
Selling Expenses	13	4,37,16,592	5,69,28,952
Financial Expenses	14	3,81,04,963	3,54,03,928
		<u>52,52,04,641</u>	<u>59,79,74,427</u>
Profit before depreciation , Provision for Taxation & Deferred Revenue Expenditure		21,53,73,186	25,19,08,104
Depreciation		4,21,12,440	3,38,31,398
Deferred Revenue Expenditure		1,40,243	1,40,238
<b>Profit /(Loss) before Tax</b>		<u>17,31,20,503</u>	<u>21,79,36,468</u>
Provision for Taxes	15	5,89,27,243	8,51,24,434
<b>Profit/(Loss) for the year</b>		<u>11,41,93,260</u>	<u>13,28,12,034</u>
Adjustment of last year's provision		1,49,259	(22,18,619)
Profit and (Loss) brought from last year		34,22,76,436	28,01,63,816
<b>Profit/(Loss) available for appropriation</b>		<u>45,66,18,955</u>	<u>41,07,57,231</u>
<b>APPROPRIATIONS</b>			
Transferred to General Reserve		3,00,00,000	3,00,00,000
Proposed & Interim Dividend		3,28,90,974	3,28,90,974
Income Tax on Interim & Proposed Dividend		55,89,822	55,89,821
<b>Balance carried to Balance Sheet</b>		<u>38,81,38,159</u>	<u>34,22,76,436</u>
<b>Earnings Per Share</b>			
Basic/Diluted earnings per share		10.42	12.11
Face value per share		10	10

As per our report of even date attached

For and on behalf of the Board of Directors

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

**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 30, 2010



**CASH FLOW STATEMENT ANNEXED TO THE CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
<b>A) Cash Flow From Operating Activities</b>		
<b>Net Profit before Tax &amp; Extraordinary Items</b>	<b>1731.20</b>	2179.36
Adjustments for		
Depreciation	421.12	338.31
Dividend Income	(0.01)	(2.36)
Misc. Expense Written off	1.40	1.40
Loss/(Profit) on Sale of Assets	-	(0.56)
Scrapped/Discarded Assets written off	-	11.10
Profit on sale of Investment	(30.67)	270.33
Interest Expenditure	381.04	354.04
Interest Received	(268.77)	(196.65)
<b>Operating Profit before Working Capital Changes</b>	<b>2,235.31</b>	2,954.96
Adjustments for		
(Increase) Decrease in Inventories	(122.69)	47.60
Increase (Decrease) in Trade Payables & Provisions	(17.30)	(195.58)
(Increase) Decrease in Trade & Other Receivables	(119.86)	21.20
(Increase) Decrease in Loans & Advances	(414.11)	3.58
<b>Cash generated from Operations</b>	<b>1,561.35</b>	2831.76
Income Tax (Paid)/Refund	(552.13)	(844.14)
<b>Net Cash from Operating Activities</b>	<b>(A) 1,009.22</b>	1987.62
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(3268.47)	(397.76)
Sale of Fixed Assets	-	23.61
Inter-corporate Deposit	-	390.00
Purchase of Investment	(0.20)	(50.00)
Acquisition of subsidiaries/joint venture	1989.66	-
Sale of Investments	143.67	250.08
Interest Received	268.77	196.65
Dividend Received	0.01	2.36
<b>Net Cash used in Investing Activities</b>	<b>(B) (866.56)</b>	178.74
<b>C) Cash Flow from Financing Activities</b>		
Interest Paid	(381.04)	(354.03)
Increase / (Decrease) in Security Deposit	(6.57)	18.71
Dividend Paid	(334.86)	(383.72)
Dividend Tax Paid	(55.90)	(68.32)
Proceed of Minority Interest	778.63	-
Increase / (Decrease) in long term Borrowing	(354.00)	(561.74)
Increase / (Decrease) in Short term Loan	302.28	123.56
<b>Net Cash used in Financing Activities</b>	<b>(C) (51.46)</b>	(1225.54)
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>	<b>91.20</b>	940.82
<b>Cash &amp; Cash Equivalent (Opening Balance)</b>	<b>2,218.12</b>	1277.30
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<b>2,309.32</b>	2218.12

**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 31<sup>st</sup> March 2010 and the related Profit and Loss Account for the year ended on that date.
- Previous year figures has been regrouped and rearranged wherever necessary in order to confirm to this year's presentation.
- The company has acquired subsidiary during the year.

As per our report of even date attached

For and on behalf of the Board of Directors

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

**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 30, 2010



# CHL LIMITED

## SCHEDULE 1 TO 16 - ANNEXURE TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
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### **SCHEDULE - 1 SHARE CAPITAL**

<b>Authorised</b>		
3,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 3,00,00,000)	<u>30,00,00,000</u>	<u>30,00,00,000</u>
<b>Issued, Subscribed and Paid up</b>		
1,09,63,658 Equity Shares of Rs. 10/- each (Previous Year 1,09,63,658)	<u>10,96,36,580</u>	<u>10,96,36,580</u>
	<u>10,96,36,580</u>	<u>10,96,36,580</u>

### **SCHEDULE - 2 RESERVES AND SURPLUS**

<b>CAPITAL RESERVE</b>			
As per last Balance Sheet		94,125	94,125
<b>CAPITAL REDEMPTION RESERVE</b>			
As per last Balance Sheet		1,10,00,000	1,10,00,000
<b>GENERAL RESERVE</b>			
As per last Balance Sheet	24,00,00,000		21,00,00,000
Add Transferred from Profit & Loss Account	<u>3,00,00,000</u>	<u>27,00,00,000</u>	<u>3,00,00,000</u> 24,00,00,000
<b>PROFIT &amp; LOSS ACCOUNT</b>		<u>38,81,38,159</u>	<u>34,22,76,436</u>
<b>TOTAL</b>		<u>66,92,32,284</u>	<u>59,33,70,561</u>

### **SCHEDULE - 3 LOAN FUNDS**

#### **SECURED LOANS**

Term Loan	19,56,19,950		22,66,66,672
Hire Purchase Loan	75,29,097		1,18,83,265
Overdraft from Banks	<u>9,64,38,277</u>	<u>29,95,87,324</u>	<u>6,62,10,251</u> 30,47,60,188
		<u>29,95,87,324</u>	<u>30,47,60,188</u>

#### **Notes :**

- Term Loan of Rs.303.42 lacs (Previous Year NIL) Is secured by pari passu charge over entire present & future Fixed Assets of the company and Rs. 1652.78 lacs (Previous Year 2266.67 lacs) is secured by paripassu charge over entire fixed assets and exclusive charge on current assets. (Repayable in one year Rs. 861.11 lacs , Previous Year Rs. 608.89 lacs)
- Hire purchase loans are against hypothecation of vehicles. (Repayable in one year Rs. 45.45 lacs, Previous year Rs. 43.67 lacs)
- Overdraft facility is against pledge of fixed deposit aggregating to Rs. 1856.84 lacs (Previous Year Rs. 2024.81lacs)

(Figures in Rs.)

**SCHEDULE - 4 FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009	Additions during the year	Sales/Transfer	As at 31.03.2010	As on 01.04.2009	During the year	Adjustments/Transfer	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land (Leasehold)	5,75,69,933	23,60,838	-	5,99,30,771	-	-	-	-	5,99,30,771	5,75,69,933
Land & Building (Noida)	2,34,07,764	3,20,244	-	2,37,28,008	-	-	-	-	2,37,28,008	2,34,07,764
Building	28,83,23,886	-	-	28,83,23,886	5,22,01,107	48,22,341	-	5,70,23,448	23,13,00,438	23,61,22,779
Plant & Machinery	30,96,47,652	1,18,51,835	-	32,14,99,487	18,85,89,107	1,79,62,195	-	20,65,51,302	11,49,48,185	12,10,58,545
Plant & Machinery (Noida)	90,90,010	-	-	90,90,010	-	-	-	-	90,90,010	90,90,010
Furniture, Fixture and Fitting	10,95,50,635	12,93,312	-	11,08,43,947	6,79,23,916	1,04,31,373	-	7,83,55,288	3,24,88,659	4,16,26,719
Office & Other Equipments	92,16,568	2,03,190	-	94,19,758	13,48,257	4,99,671	-	18,47,928	75,71,830	78,68,311
Computers	1,55,58,818	3,85,798	-	1,59,44,616	42,74,052	25,65,560	-	68,39,612	91,05,004	1,12,84,766
Vehicles	6,23,53,987	-	-	6,23,53,987	1,96,54,196	59,19,423	-	2,55,73,619	3,67,80,368	4,21,12,307
<b>TOTAL - Current Year</b>	<b>88,47,19,253</b>	<b>1,64,15,217</b>	<b>-</b>	<b>90,11,34,470</b>	<b>33,39,90,635</b>	<b>4,22,00,563</b>	<b>-</b>	<b>37,61,91,197</b>	<b>52,49,43,273</b>	<b>55,01,41,134</b>
Previous Year	85,37,27,144	3,67,55,975	67,35,753	88,37,47,366	30,30,95,584	3,38,31,398	33,20,751	33,36,06,231	30,28,42,579	2,08,39,844
Capital Work in Progress										
<b>TOTAL</b>									<b>82,77,85,852</b>	<b>57,09,80,978</b>



# CHL LIMITED

As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
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## SCHEDULE - 5 INVESTMENTS (AT COST)

### LONG TERM INVESTMENTS

#### In Equity Shares (Quoted & Fully Paid)

500 Advani Hotels & Resorts (India) Ltd. Of Rs.2/- each (Previous Year 500)	560	560
Asian Hotel Ltd. Of Rs.10/- each (Previous Year 50) transferred to Scheme of Arrangement & Demerger as follows	-	3,500
25 Asian Hotel (East) Ltd. Of Rs.10/- each (Previous Year NIL)	1,167	-
25 Asian Hotel (North) Ltd. Of Rs.10/- each (Previous Year NIL)	1,167	-
25 Asian Hotel (West) Ltd. Of Rs.10/- each (Previous Year NIL)	1,166	-
50 EIH Associate Hotels Ltd. Of Rs.10/- each (Previous Year 50)	520	520
75 EIH Ltd. Of Rs.2/- each (Previous Year 75)	2,096	2,096
50000 Essar Steel Ltd of Rs. 10/- each (Previous Year 50000)	21,63,196	21,63,196
250 Hotel Leela Venture Ltd. Of Rs.2/- each (Previous Year 250)	730	730
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
Jaypee Hotels Ltd/- of Rs. 10/- each (Previous Year 10)	-	854
15 Jaiprakash Associates Ltd.of Rs. 2/- each on merger of Jaypee Hotels Ltd and Bonus issue 5 shares (Previous Year Nil)	854	-
5000 Morepen Laboratories Ltd. of Rs. 2/- each (Previous Year 5000)	74,800	74,800
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 28800)	62,77,010	62,77,010
100 Royal Manor Hotels & Industries Ltd. Of Rs.10/- each (Previous Year 100)	165	165
Sabero Organics Limited of Rs.10/- each (Previous Year 8200)	-	274,201
100 Sayaji Hotel Ltd. Of Rs.10/- each (Previous Year 100)	205	205
10 Taj GVK Hotels & Resorts Ltd of Rs.2/- each (Previous Year 10)	2,691	2,691
	<b>86,28,306</b>	<b>89,02,507</b>

#### In Equity Shares (Unquoted & Fully Paid)

150 Bharat Hotel Ltd. Of Rs.10/- each (Previous Year 150)	1,386	1,386
100 KMAHP Pvt Ltd. Of Rs.10 each (Previous Year 100)	1,000	1,000
1000 Jagriti Hydro Power Pvt Ltd Of Rs.10/- each (Previous Year Nil)	10,000	-
324500 Jaipur Stock Exchange of Rs. 10/- each (Previous Year 324500)	58,41,000	58,41,000
10 Tajikistan Electricity Board Certificate of Somoni 100/= each	10,358	-
Anand Infodge Pvt Ltd of Rs. 10/-each (Previous Year 200)	-	25,000
	<b>58,63,744</b>	<b>58,68,386</b>

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

100000 CHL (South) Hotels Ltd of Rs.10/- each Previous Year 100000)	10,00,000	10,00,000
CHL International of Somoni 100 each (Previous Year 27650)	-	3,94,44,313
10000 CHL Biotech Pvt Ltd of Rs.10/= each (Previous Year 10000)	1,00,000	1,00,000
	<b>11,00,000</b>	<b>40544313</b>

#### In Mutual Funds (NAV Quoted and Fully Paid)

100000 Osian Art Fund	10,00,000	10,00,000
DSP ML Micro Cap Fund	-	90,00,000
HDFC Midcap Opportunity Fund	-	20,00,000
	<b>10,00,000</b>	<b>1,20,00,000</b>

### TOTAL

<b>1,65,92,050</b>	<b>6,73,15,206</b>
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	Book Value	Market Value	Book Value	Market Value
AGGREGATE VALUE OF Quoted Investments	96,28,306	72,88,740	2,09,02,507	1,53,94,390

#### Purchase and sale during the year

	No.	Sales Value	No.	Purchase Cost
Mutual Fund Redemption during the year	11,00,000	1,10,00,000	NIL	NIL
Quoted Shares sale during the year	8,200	2,99,201	NIL	NIL

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.	As at 31st March, 2009 Rs.
<b>SCHEDULE - 6 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>A. Current Assets</b>			
<b>I. Inventories ( at cost or realisation value whichever is lower and as certified by the Management)</b>			
i) Chinaware, Glassware, Silverware ,Linen etc	1,18,50,233	1,14,31,589	
ii) Kitchen Accessories	71,26,128	75,84,746	
iii) Provision, Food, Beverages etc.	86,63,059	1,04,95,160	
iv) General Stores and Spares	35,67,894	38,15,573	
v) Construction Material at site	<u>1,43,89,017</u>	4,55,96,331	- 3,33,27,068
<b>II. SUNDRY DEBTORS</b> (Unsecured considered Good)			
i) Outstanding for over Six Months	21,43,858	17,381	
ii) Outstanding over Six Months (Doubtful)	80,95,511	38,58,889	
ii) Others	<u>4,77,01,515</u>	5,79,40,884	<u>4,26,37,096</u> 4,65,13,366
<b>III. CASH AND BANK BALANCES</b>			
i) Cash & Cheques on Hand	2,97,15,484	8,24,527	
ii) Scheduled Banks			
a) In current Accounts	1,38,70,420	1,53,46,557	
b) In fixed deposits Accounts	<u>18,73,46,699</u>	23,09,32,603	<u>20,56,40,817</u> 22,18,11,901
<b>B. LOANS AND ADVANCES</b> (Unsecured-considered good)			
Advances recoverable in cash or kind or for value to be received considered good			
Other advances	10,39,58,472	23,28,80,254	
Security Deposits	26,08,872	24,85,152	
Prepaid Expenses	1,14,88,651	1,10,03,449	
Tax Refundable	<u>3,21,45,940</u>	15,02,01,935	<u>2,11,05,842</u> 26,74,74,697
		<u>48,46,71,753</u>	<u>56,91,27,032</u>

**SCHEDULE - 7 CURRENT LIABILITIES AND PROVISIONS**

**A CURRENT LIABILITIES**

Sundry Creditors	8,44,45,019	8,34,27,917	
Unclaimed Dividend	<u>26,71,196</u>	8,71,16,215	<u>32,67,614</u> 8,66,95,531

**B PROVISIONS**

i) Provision for Taxation	46,33,938	-	
ii) Proposed Dividend	1,64,45,487	1,64,45,487	
iii) Income Tax on Proposed Dividend	27,94,911	27,94,910	
iv) Provision for Employee Benefits	<u>1,29,42,811</u>	3,68,17,147	<u>1,56,90,441</u> 3,49,30,838
		<u>12,39,33,362</u>	<u>12,16,26,369</u>



## CHL LIMITED

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.

### **SCHEDULE - 8 INCOME FROM ROOMS, FOOD, BEVERAGE, SMOKES & OTHER SERVICES**

Rooms	38,80,46,292		49,66,78,297	
Food, Beverage & Smokes	18,67,34,360		20,02,44,110	
Wine & Liquor	3,36,99,087		3,98,87,742	
Licence Fee	5,44,57,749		4,61,96,583	
Telex & Telephones	1,31,48,688		92,67,541	
Health Club & Beauty Parlour	1,06,56,239		1,26,04,768	
Other Services	1,69,54,943		1,60,48,250	
	<u>70,36,97,358</u>		<u>82,09,27,291</u>	

### **SCHEDULE-9 OTHER INCOME**

Interest earned	2,68,77,104		1,96,65,506	
Dividend Income	620		2,36,441	
Scrap & Other Income	57,10,061		71,78,324	
Profit on Sale of Investment	30,67,420		-	
Excess Provisions & Miscellaneous Income	12,25,264		18,18,630	
	<u>3,68,80,469</u>		<u>2,89,55,240</u>	

### **SCHEDULE-10 CONSUMPTION OF PROVISIONS, WINES AND SMOKES**

#### **A. PROVISIONS, BEVERAGES & SMOKES**

Opening Stock	22,60,238		20,74,442	
Add: Purchases	5,78,55,973		5,58,29,099	
	<u>6,01,16,211</u>		<u>5,79,03,541</u>	
Less : Closing stock	24,94,373	5,76,21,838	22,60,238	5,56,43,303

#### **B. WINE & LIQUOR**

Opening Stock	82,34,922		1,24,75,233	
Add: Purchases	1,10,74,496		1,27,58,810	
	<u>1,93,09,418</u>		<u>2,52,34,043</u>	
Less : Closing Stock	61,68,686	1,31,40,732	82,34,922	1,69,99,121
	<u>7,07,62,570</u>		<u>7,26,42,424</u>	

### **SCHEDULE-11 PAYMENT OT AND PROVISION FOR EMPLOYEES**

Salaries, Wages, Stipend & Bonus	11,99,61,162		13,27,62,102	
Contribution to Provident, Gratuity & Other Funds	1,26,67,048		2,02,40,544	
Employees Welfare Expenses	1,30,46,840		1,50,22,813	
	<u>14,56,75,050</u>		<u>16,80,25,459</u>	







## CHL LIMITED

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
<b><u>SCHEDULE - 14 FINANCIAL EXPENSES</u></b>				
i) Interest on Term Loan		2,09,53,019		2,64,97,763
ii) Interest on working capital & others		1,59,50,598		76,73,585
iv) Bank Charges		12,01,346		12,32,580
		<u>3,81,04,963</u>		<u>3,54,03,928</u>

## **SCHEDULE - 15 PROVISION FOR TAXES**

- Provision for Income Tax		5,94,56,717		7,97,74,087
- Provision for Fringe Benefit Tax		-		28,50,289
- Provision for Wealth Tax		2,57,519		287,290
- Provision for Deferred Tax		(7,86,993)		22,12,768
<b>Total Provision</b>		<u>5,89,27,243</u>		<u>8,51,24,434</u>

## **SCHEDULE - 16 NOTES TO ACCOUNTS**

### **I. SIGNIFICANT ACCOUNTING POLICIES**

Annexed to and forming part of the consolidated financial statement for the year ended 31st March 2010

#### **A) Convention**

The consolidated financial statements comprise the individual financial statements of CHL Ltd. (the Company) and its subsidiary as on 31<sup>st</sup> March 2010 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:

The financial statement of the company and its subsidiary have been combined on a line to line basis by adding together the book values of like items of assets, liabilities, Income and expenses, after eliminating intra group balances and intra group transactions and unrealized profits or losses as per Accounting Standard 21 on "Consolidated Financial Statement" as notified by the Companies (Accounting Standards) Rules 2006.

#### **B) The Financial Statement of the subsidiary, in the consolidation are drawn up to the same reporting date as the company i.e. March 31, 2010.**

#### **C) Minority Interest in the net assets of Subsidiary consists of:**

- i) The amount of equity attributable to the minority at the date on which investment in Subsidiary is made and
- ii) The minority's share movements in equity since the date the parent-subsidiary relationship came into existence.

#### **D) The financial statements of CHL International, the only subsidiary of the Company in which the company holds ownership interest of 84.11% have been consolidated.**

#### **E) The preparation of financial statement requires the management of the company to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. The example of such estimates include provision for doubtful debt, employees benefit, provisions for income tax, useful life of depreciable fixed assets and provision for impairment.**

#### **F) Fixed Assets**

1. Fixed assets are stated at cost, less depreciation/amortization and impairment losses if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use. Capital work in progress comprises of advances to suppliers/service providers and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalized upon the commencement of commercial operation.
2. 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, if material.

#### **G) Depreciation**

1. In case of the company is provided on straight line method basis and in case of the subsidiary on written down 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.
2. Intangible Assets are depreciated on straight line method over the useful life thereof, which is taken as three years.



H) 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, the assets are written down to their recoverable amount.

I) INTANGIBLE ASSETS

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

J) ASSETS ON LEASE

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

K) 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.

L) 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.

M) 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.

N) CURRENT ASSETS

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

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.

O) RETIREMENT AND OTHER EMPLOYEES BENEFITS

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

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

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

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

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

The subsidiary makes contribution to social fund in accordance with the applicable law as regulated by the Government of the country of incorporation.

P) RECOGNITION OF INCOME & EXPENDITURE

i. Sales and Services are stated net of discount / allowances.

ii. Claims recoverable / payable are recognized to the extent admitted. As per practice consistently followed, license fee from shops is recognized in the year of receipt. 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 other income. Scrap value is recognized, if material.

Q) CONTINGENT LIABILITIES

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

R) TAXATION

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

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

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

S) 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 (excluding subsidiary) in respect of	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
i) Demands / Claims not acknowledged as debt or which are under litigation	8.00*	8.00*
ii) Bank Guarantees furnished	NIL	31.58
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	568.34	316.81

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

In respect of subsidiary the contingent liabilities not provided for claims not acknowledged as debt or which are under litigation is Rs. 265.10 Lacs.

**2. MICRO AND SMALL ENTERPRISES**

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

3. 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 has not been under use.

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

In respect of the Company Rs. 30.35 Lacs (Previous year Rs. 294.94 Lacs)

In respect of the Subsidiary Rs. 375.68 Lacs

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

6. 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.

7. The Fixed Deposit consist of Rs. 2.78 lacs pledged with State Government Authorities, Rs. 13.75 Lacs with Suppliers, Rs. 0.10 Lacs with Consumer Court and Rs. 1856.84 Lacs with bank against overdraft facility.

**8. EMPLOYEES BENEFITS****Defined Contribution Plans**

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

**Defined Benefit Plans**

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

<b>I. Assumptions</b>	<b>2009-2010</b>	2008-2009
Discount Rate	<b>8.00 %</b>	8.00%
Rate of increase in Compensation levels	<b>6.00 %</b>	6.00%
Superannuation age	<b>58 yrs</b>	58 yrs
Mortality		LIC(1994-96)Ultimate
<b>II. Table Showing Change in Benefit Obligation</b>		
Projected Benefit Obligations (PBO) at the beginning of the year	<b>88,38,000</b>	53,07,000
Interest Cost	<b>6,79,199</b>	3,95,643
Service Cost	<b>8,33,937</b>	8,42,665
Benefits paid	<b>(6,96,014)</b>	(7,22,936)
Actuarial (gain) loss on obligations	<b>(16,06,122)</b>	30,15,628
PBO at the end of the year	<b>80,49,000</b>	88,38,000
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	<b>6,96,014</b>	7,22,936
Benefits paid	<b>(6,96,014)</b>	(7,22,936)
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	<b>6,96,014</b>	7,22,936
Benefits paid	<b>(6,96,014)</b>	(7,22,936)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-

**V. Funded Status**

**(80,49,000)** (88,38,000)

**VI. Limits of Corridor not considered since total actuarial gain/loss is being recognized**

Actuarial gain/(loss) for the year – Obligation	<b>16,06,122</b>	(30,15,628)
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	<b>16,06,122</b>	(30,15,628)
Actuarial (gain)/loss recognized	<b>(16,06,122)</b>	30,15,628
Unrecognized actuarial gains (losses) at the end of the year	-	-

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

Present Value of Obligation	<b>80,49,000</b>	88,38,000
Fair value of Plan Assets	-	-
Difference	<b>80,49,000</b>	88,38,000
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	<b>80,49,000</b>	88,38,000

**VIII. Net Periodic Cost**

Current Service Cost	<b>8,33,937</b>	8,42,665
Interest Cost	<b>6,79,199</b>	3,95,643
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	<b>18,55,278</b>	30,15,628
Expenses Recognised in the Income Statement	<b>(92,986)</b>	42,53,936

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

Opening Net Liability	<b>88,38,000</b>	53,07,000
Expense as above	<b>(92,986)</b>	42,53,936
Contributions/Transfers	<b>(6,96,014)</b>	(7,22,936)
Closing Net Liability	<b>80,49,000</b>	88,38,000

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

10. Political Contribution **5.00** NIL

**11. Related party transactions**

- Subsidiary Company	CHL International
- Associate Companies	CHL (South) Hotels Limited 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 Technocrat Developer Pvt Ltd. United Overseas



## CHL LIMITED

Name of Party	Relationship	Nature of Transaction	Transaction Value (Rs. in lacs)	Bal. as on 31/03/2010* (Rs. in lacs)	Bal. as on 31/03/2009* (Rs. in lacs)
a) United Overseas	A firm in which Director's relative is partner	Purchase of Goods	12.00	(1.02)	(1.14)
b) Mohan Meakin Ltd.	A company in which Director is Director	-do-	0.10	NIL	(0.10)
c) CHL Biotech Pvt. Ltd.	An associate Company	- Advance	5.00	NIL	5.00

\* FIGURES IN BRACKET INDICATE PAYABLE

### 12. Managerial Remuneration to Directors

#### Particulars

2009-2010

2008-2009

(Rs. in lacs)

(Rs. in lacs)

Salary & Allowances

172.00

160.00

Contribution to P.F.

12.96

12.00

Other benefit/perquisites

2.80

2.80

Commission to Directors

NIL

145.61

Sitting Fee to other Directors

8.00

9.60

### 13. EARNING PER SHARE

Profit after Taxation

1,141.93

1,328.12

Weighted average number of equity shares outstanding

109.64

109.64

Basic & Diluted earning per share in rupee (face value – Rs. 10/- per share)

10.42

12.11

### 14. DEFERRED TAX LIABILITIES

#### (A) Deferred Tax Liability

Depreciation on Fixed Assets

564.35

578.26

Deferred Revenue Expenditure to the extent not amortised

-

0.47

Total (A)

564.35

578.73

#### (B) Deferred Tax Asset

Disallowance u/s 43 (B) of Income Tax

8.21

14.73

Total (B)

8.21

14.73

#### Net Deferred Tax Liabilities (A-B)

556.14

564.00

15. A. The company has been exempted vide order No. 46/222/2008/CL-III dated 05/02/2009 of Ministry of Company 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

2009-2010

2008-2009

(Rs. in lacs)

(Rs. in lacs)

a) Food & Beverage

Nil

Nil

b) Wine & Liquor – through canalizing agencies.

29.00

64.79

c) Components and spare parts

Nil

4.23

d) Capital Goods

Nil

114.05

C. Expenditure in Foreign Currency – on payment basis		
i. Technical Services	<b>127.31</b>	207.99
ii. Others	<b>90.73</b>	155.68

D. Earning in Foreign Exchange – on receipt basis		
On account of hotel services	<b>2,443.10</b>	3,483.07

**E. Remittance in Foreign Currency on account of Dividend to non resident shareholders**

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

<b>Final Dividend</b>	<b>Current Year</b>	<b>Previous Year</b>
1. No. of Non Resident shareholders	<b>141</b>	145
2. No. of equity shares held by them	<b>88,39,236</b>	88,08,282
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	<b>96.86</b>	129.15
4. Amount of Rupees (in lakhs) remitted to banks in India.	<b>35.72</b>	47.02
5. Year to which Relates	<b>2008-09</b>	2007-08

**Interim dividend**

1. No. of Non Resident shareholders	<b>144</b>	151
2. No. of equity shares held by them	<b>88,39,681</b>	94,80,492
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	<b>96.86</b>	96.86
4. Amount of Rupees (in lakhs) remitted to banks in India.	<b>35.73</b>	45.35
5. Year to which Relates	<b>2009-10</b>	2008-09

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

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	31.03.2010

**b. Capital raised during the year**

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

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

Total Liabilities	12330.44
Total Assets	12330.44

**SOURCE OF FUNDS**

Paid-up Capital	1096.37
Reserve & Surplus	6692.32
Secured Loans	2995.87
Unsecured Loans (Security Deposits)	211.11
Deferred Tax (Net)	556.14
Minority Interest	778.63





## CHL LIMITED

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### APPLICAION OF FUNDS

Net Fixed Assets	8557.14
Investments	165.92
Net Current Assets	3607.38

### d. Performance of the Company

Turnover	7405.78
Total Expenditure	5674.57
Profit / (Loss) before Tax	1731.21
Profit / (Loss) after Tax	1141.93
Earning per share	10.42
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

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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 30, 2010





**CHL LIMITED**

**CHL LIMITED**

Regd. Office : "HOTEL THE SURYAA", Community Centre, New Friends Colony, New Delhi-110 025  
Tel. : 91-11-2683 5070 Fax : 91-11-2683 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 31ST ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 21st September, 2010 at 12.00 Noon at Hotel The Suryaa, Community Centre, New Friends Colony, New Delhi-110025 and at any adjournment thereof.

Signed this.....day of.....2010

Signature.....

Affix  
Revenue  
Stamp

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

**CHL LIMITED**

Regd. Office : "HOTEL THE SURYAA", Community Centre, New Friends Colony, New Delhi-110 025  
Tel. : 91-11-2683 5070 Fax : 91-11-2683 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 Tuesday, the 21st September, 2010 at 12.00 Noon.

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 THE SURYAA

NEW FRIENDS COLONY

NEW DELHI - 110 025.