



**CHL LIMITED**

New Friends Colony, New Delhi 110 025

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CHL:BSE:2016

12<sup>th</sup> August, 2016

The Asstt. General Manager  
Bombay Stock Exchange Ltd  
25<sup>th</sup> Floor, P J Towers  
Dalal Street  
Mumbai 400 001

**SCRIP CODE 532992**  
**Annual Report for the Financial Year 2015-16**

Sir,

Please find enclosed herewith Annual Report for the Financial Year 2015-16 that was approved and adopted in the 37<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2016.

Thanking you

Yours faithfully  
For **CHL Limited**

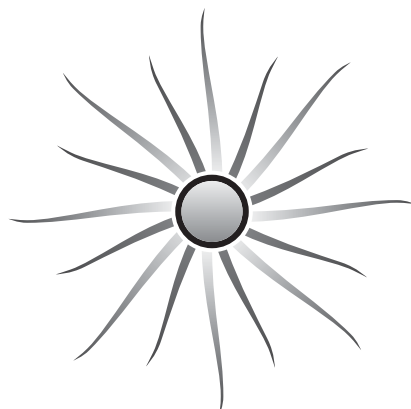
**G. J. Varadarajan**  
**Company Secretary**





**CHL LIMITED**

**ANNUAL REPORT  
2015 - 2016**



THE  
**SURYAA**  
— SERVICE SO MEMORABLE —



**37th Annual General Meeting**

Date : 12th August, 2016

Day : Friday

Time : 12.30 PM

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. A. K. Malhotra  
Mr. Luv Malhotra - Joint Managing Director  
Mr. Gagan Malhotra - Executive Director  
Ms. Kajal Malhotra  
Mr. Subhash Ghai  
Mr. R. C. Sharma  
Mr. Lalit Bhasin  
Mr. Yash Kumar Sehgal  
Mr. Alkesh Tacker

**Company Secretary**

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

**Vice-President Finance & CFO**

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

**Statutory Auditors**

G. Rai & Co.  
Chartered Accountants  
G6, Dhawan Deep Apartment  
6, Jantar Mantar  
New Delhi-110 001  
Email: graicomail@gmail.com

**Internal Auditors**

Gulvardhan Malik and Co.  
Chartered Accountants  
G.F., F-54 Dilshad Colony  
Delhi -110095  
Email: fcamalik@gmail.com

**Bankers**

Andhra Bank  
Bank of Baroda  
HDFC Bank Ltd.

**Registrar and Share Transfer Agent**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3<sup>rd</sup> Floor,  
99, Madangir  
Behind Local Shopping Centre  
New Delhi - 110 062  
Phone : 91-11-29961281-83 Fax : 91-11-29961284  
E mail : beetalrta@gmail.com

**Regd. Office**

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



## NOTICE

**NOTICE is hereby given that the 37th Annual General Meeting of the Members of CHL Limited will be held on Friday the 12th day of August, 2016 at 12:30 P.M. at the Registered Office of the Company at Hotel The Suryaa, New Friends Colony, New Delhi 110 025 to transact the following business:**

### **Ordinary Business**

1. To receive, consider and adopt
  - (a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2016 together with the Reports of the Directors and the Auditors thereon; and
  - (b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 and the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. A. K. Malhotra, (DIN 00676603) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Kajal Malhotra, (DIN: 01319170) who retires by rotation and being eligible, offers herself for re-appointment.
4. Ratification of Appointment of Statutory Auditors

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

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the appointment of M/s G Rai & Co., Chartered Accountant, New Delhi (Firm Registration No. 001479N) as Auditors of the Company for a term of three years i.e. till the conclusion of the 38th Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 38th AGM of the Company to be held in the year 2017, at such remuneration as decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

### **Special Business**

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

RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, Mr. Alkesh Tacker (DIN:00513286) appointed as an Additional Director of the Company pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and being eligible, offer himself for appointment and in respect of whom the Company has received a Notice in writing from a Member pursuant to the Provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Alkesh Tacker for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years not liable to retire by rotation.

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

RESOLVED THAT subject to the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013, consent of the Members be and is hereby accorded to the re-appointment of Mr. Gagan Malhotra as an Executive Director of the company for a period of three years commencing from 01.04.2016 to 31.03.2019 and payment of remuneration and perquisites to him as follows:

### **Overall Remuneration:**

Subject to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 and modification/ amendments thereof, if any, the remuneration payable to Managing Director, Joint Managing Director and Executive Director of the Company, in any financial year shall not exceed 10% (ten percent) of the net profit of the Company for all of them together. In any financial year during the tenure of Mr. Gagan Malhotra, if the Company has no profit or its profits are inadequate, the remuneration payable to Mr. Gagan Malhotra, of the Company shall be as per Schedule V of the Companies Act, 2013.



Within the aforesaid ceiling, the remuneration payable to Mr. Gagan Malhotra shall be as under w.e.f. 01.04.2016.

Basic Salary : Rs. 2,00,000 P.M.

House Rent Allowance : Accommodation with amenities such as Gas, Electricity/water. House Furnishing and repairs, the aggregate monetary value of which being limited to 60% of basic salary per month for the purpose of which limit, perquisites shall be evaluated as per Income Tax Rule, wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost.

Miscellaneous Allowances : Rs. 30,000 P.M.

**Provident Fund, Gratuity and Encashment of Leave:** Provident Fund, Superannuation and Gratuity as per the rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.

**Privilege Leave :** One Month's leave on full pay and allowance for every eleven months of service, at the end of the tenure as per the Company's Rules.

**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.

**Entertainment /Travelling:** Re-imbursment of travelling, entertainment and other expenses as incurred by him for the business of the Company.

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

RESOLVED FURTHER THAT the Board of Directors, be and are hereby, specifically authorized to alter at 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 V read with Section 197 and other applicable provisions if any of the Companies Act, 2013 or any other amendment thereto or re-enactments thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

**By Order of the Board**

Place: New Delhi  
Date : 27th May, 2016

**G.J. Varadarajan**  
**Company Secretary**

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the company. In order to be effective the Proxy Form must reach the Company's Registered Office at least 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 02.08.2016 to 12.08.2016 (both days inclusive).
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
4. As per the provisions of Section 205A the Companies Act 1956, Dividends declared for the financial year 2008-09 (Final Dividend), 2009-10 (Interim and Final Dividend), 2010-11 (Interim and Final Dividend), 2011-12 (Interim and Final Dividend) and 2012-13 (Interim and Final Dividend) which remain unpaid or unclaimed for a period of 7 years in the Unpaid Dividend Account for the respective financial year of the Company need to be transferred to the Investor Education and Protection Fund (IEPF) 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.

5. Final Dividend pertaining to the financial year 2008-09 will be transferred to Investors Education and Protection Fund in the month of October, 2016. As such it will not be possible to entertain dividend claim after September, 2016.
6. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.
7. Members may also note that the Annual Report for Financial Year 2015-16 will also be available on the Company's website [www.chl.co.in](http://www.chl.co.in) for their download.
8. Pursuant to the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015, additional information on Directors seeking appointment/ reappointment at the Annual General Meeting is provided in the Annual Report.
9. 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.
10. Shareholders may bring their copies of the Annual Report to the Meeting. Extra copies of the Annual Report will not be available at the meeting.
11. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
12. Members/Proxies should fill in the Attendance Slip for attending the meeting.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to the shareholders to cast their votes on resolutions through e-voting services provided by Central Depository Services (India) Limited ("CDSL") for all the items of business in the notice electronically. The members may cast votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).

### **The instructions for members for voting electronically are as under:-**

- (i) The voting period begins on Tuesday, the 9th August, 2016 at 10.00 AM and ends on Thursday, the 11th August, 2016 at 5.00 PM. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 05.08.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting Venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (iv) Click on “Shareholders”
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter</li> <li>RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company please enter the Member ID / Folio Number in the Dividend Bank Details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the “CHL LIMITED” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat Account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows Phone users can download the app from the app store and the Windows Phones Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **Voting at AGM**

The members who have not cast their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM through ballot paper.

### **General Information**

- (a) Every Client ID No./Folio No. shall have 1 (one) e-voting right irrespective of the joint-holders.
- (b) The Company has appointed M/s. A. Chadha & Associates, Company Secretaries (CP No. 3732) to act as the scrutinizer to scrutinize the poll and remote e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of poll/e-voting to the Chairman of the Company. The results of the voting will be declared on or after the date of the AGM i.e. Friday, the 12th August, 2016. The declared results will be available on the company's website [www.chl.co.in](http://www.chl.co.in) and communicated to the Stock Exchange (BSE).
- (c) Pursuant to Section 114 of the Companies Act, 2013 the Ordinary Resolutions mentioned above shall be declared as passed on the date of the declaration of the result if the number of votes cast in favour of, is more than the votes cast against, the resolution by the members.
- (d) In case of shareholders who are entitled to vote have not been able to exercise their right to vote by electronic means, in the larger interest of the shareholders, they can vote through Ballot Paper available at the venue of Annual General Meeting.
- (e) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company. The whole process shall be conducted and scrutinizer report thereon will be prepared in accordance with Section 109 at the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- (f) All documents referred to in the Notice and the accompanying Explanatory Statement including the draft letter of appointment proposed to be issued to the “Independent Directors” and also the Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the registered office of the Company on all working days (except Sunday) between 11.00 A.M. to 1.00 P.M. upto to the date of the meeting.



- (g) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, M/s Beetal Financial Computer Services Pvt. Ltd. Accordingly, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of the PAN card to M/s Beetal Financial & Computer Services Pvt. Ltd.
- (h) The route map showing directions to reach to the venue of the 37th AGM is given elsewhere in the Annual Report.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****Item No. 5**

Mr. Alkesh Tacker was appointed as an Additional Director w.e.f. 15.03.2016, by way of Resolution by Circulation passed by majority of the Directors of the Company and approved in the Board Meeting held on 27th May, 2016 and he holds the Office upto the date of this Annual General Meeting. Notice in writing from a member pursuant to section 160 of the Companies Act, 2013 has been received proposing his candidature. The notice received under section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the company during the business hours on any working day upto the date of the Annual General Meeting.

Mr. Alkesh Tacker, aged 58, is a graduate from Delhi University. He is holding the position of Managing Director in M/s CSI Telecom Pvt. Ltd. He has a very good grip in finance and has vast and rich experience in business in general. The Board Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company.

The Board recommends his appointment of the aforesaid Independent Director for a term of 5 (five) consequent years on the date of the Annual General Meeting i.e. on 12th August, 2016.

Except Mr. Alkesh Tacker, none of the Directors and Key Managerial Personnel of the company, or their relatives are concerned or interested in the resolution except to the extent that they are the members of the Company.

**Item No. 6**

In the 34th Annual General Meeting of the Company, Mr. Gagan Malhotra, as an Executive Director of the Company, was re-appointed for a period of three years commencing from 01.04.2013 to 31.03.2016 with a total remuneration of Rs.3,50,000/- per month. His tenure as an Executive Director of the Company comes to an end w.e.f. 01.04.2016.

Mr. Gagan Malhotra aged 48 years is a B.Sc. Degree holder from the University of Michigan, USA. He has a rich experience spanning more than two decades in the field of FMCG Distribution, Logistics, Agri Commodities, Construction as well as Project and Operational Management. He is involved in the business development and corporate strategy of the Company and under his able direction and guidance the Hotel Project at Dushanbe of CHL International, our subsidiary company has been successfully executed. Now it is in operation under the brand "Sheraton Dushanbe".

As per Part II, Section II of Schedule V of the Companies Act, 2013, wherein any Financial Year during the currency of a managerial person, a company has no profits or its profits are inadequate, remuneration payable to the Managerial Personnel shall not exceed Rs. 3,50,000/- P.M.

The Members of the Nomination and Remuneration Committee present in the meeting held on 9th February, 2016 have recommended his appointment as an Executive Director and the remuneration payable as per the Companies Act, 2013.

The Board recommends his reappointment w.e.f. 01.04.2016 for a period of three years.

Except Mr. Gagan Malhotra, none of the Directors and Key Managerial Personnel of the company, or their relatives are concerned or interested in the resolution except to the extent that they are the members of the Company.

**By Order of the Board**

Place: New Delhi  
Date: 27th May, 2016

**G.J. Varadarajan**  
Company Secretary



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING**  
Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Name of the Director	Mr. A. K. Malhotra	Ms. Kajal Malhotra	Mr. Alkesh Tacker	Mr. Gagan Malhotra
Date of Birth	07.10.1949	22.09.1970	08.04.1958	04.09.1968
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	15.07.1985	09.02.2015	15.03.2016	25.01.2010
Qualifications	Graduate	M.A. LLB	Graduate	B.Sc. from the University of Michigan, USA
Expertise in specific functional area	Hotelier and he has rich and vast business experience	Very good grip in Finance & Legal fields	Vast and rich experience in the varied fields of business	Expertise in Business Development, planning and execution
Number of shares held in the Company	4,000 equity shares of Rs. 2/- each	5,000 equity shares of Rs. 2/- each	20,125 equity shares of Rs. 2/- each	75,000 equity shares of Rs. 2/- each
List of the Directorships held in other companies*	Mela Hotels Ltd. Vastal Food Processing Industries Pvt. Ltd.	Malbros Holdings Pvt. Ltd. Kyjol Projects Pvt. Ltd. Sunkalp Portfolio Investments Pvt. Ltd.	CSI Telecom Pvt. Ltd U-Turn Promoters Pvt. Ltd.	Rache Overseas Pvt. Ltd.
Chairman/Member in the Committees of the Board of other companies in which he is a Director*	Nil	Nil	Nil	Nil
Relationship between Directors Inter-se	Brother of Dr. L.K. Malhotra	Daughter of Dr. L.K.Malhotra and Sister of Mr. Luv Malhotra	Nil	Nil

\* Directorship includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of other Indian Public Companies (whether listed or not).

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

Your Directors have pleasure in presenting the 37th Annual Report of the Company along with the Audited Financial Statements for the Financial Year ended 31st March 2016.

**1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE****(Rs. in Lacs)**

<b>S. No.</b>	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
1.	Gross Income	<b>6,066.16</b>	5,852.54
2.	Less: Operating Expenses	<b>4,930.45</b>	4,987.92
3.	Operating Profit before Depreciation and Finance Cost	<b>1135.71</b>	864.62
4.	Less: Depreciation & Amortization expense	<b>211.97</b>	412.17
5.	Less: Finance Cost	<b>648.50</b>	404.90
6.	Earnings before Tax prior period and extra ordinary items	<b>275.24</b>	47.55
7.	Prior Period Adjustment of tax	-	11.98
8.	Extra Ordinary Items	<b>(32.10)</b>	-
9.	Profit before Tax	<b>243.14</b>	59.53
10.	Less : Net Tax Expenses	<b>138.49</b>	2.36
11.	Profit after Tax	<b>104.65</b>	57.17

Sales and other incomes for the year under review at Rs. 6,066.16 Lacs are higher by 3.65% than that of the previous year's sales and other income at Rs.5,852.54 lacs.

Operating profit before depreciation, interest and tax at Rs. 1135.71 Lacs for the year under review is higher by 31.35% as compared to Rs. 864.62 Lacs for the previous year.

Net Profit after providing tax for the year under review is Rs. 104.65 Lacs as compared to Rs 57.17 Lacs for the previous year, thus higher by 83% over the previous year.

**2. ECONOMIC ENVIRONMENT AND BUSINESS REVIEW**

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the service sectors in India. Tourism has now become a significant industry in India. It is an employment generator, a significant source of foreign exchange for the country. Tourism in India is the third largest foreign exchange earner of the country after gems, jewellery and readymade garments. The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates.

The long term outlook for the Indian hospitality business continues to be positive, both for the business and leisure segments with the potential for economic growth. The tourism and hospitality sector is among the top 15 sectors in India to attract the highest Foreign Direct Investment (FDI).

The Indian Government has also taken several steps to make India a global tourism hub. The Government has initiated 'Project Mausam' under which it has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries. Further, the Government plans to cover 150 countries under e-visa scheme by the end of the year. Recently, the Indian Government has also released a fresh category of visa i.e. the Medical visa (M visa), to encourage medical tourism in India. The hotel industry in India thrives largely due to the growth in tourism and travel. Due to the increase in tourism with rising foreign and domestic tourists, hotel sector is bound to grow.

India, after China, is considered as one of the most lucrative hotel markets in the world. The Indian economy has certainly performed creditably compared to most developed and emerging markets of the world in the past years.

**3. DIVIDEND**

Your Company, due to inadequacy of profit, is not in a position to declare Dividend for the Financial Year 2015-16.



#### 4. DIRECTORS

Mr. A. K. Malhotra (00676603) and Ms. Kajal Malhotra (01319170) Directors who retire by rotation and being eligible, have offered themselves for re-appointment. The Board recommends their appointments.

Mr. Alkesh Tacker (00513286) has been appointed as an Additional Director w.e.f. 15.03.2016 pursuant to Section 149(1) of the Companies Act, 2013. He has rich and vast experience in varied business fields. Pursuant to the Section 161(1) of the Companies Act, 2013, Mr. Alkesh Tacker holds office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as an Independent Director. The Board recommends his appointment.

Mr. O.P. Bajaj (**00570940**) and Mr. D.V. Malhotra (**00072040**) resigned from the Board w.e.f. 16.11.2015. The Board placed on record its appreciation for their valuable services rendered by them.

Pursuant to the provisions of Section 203 of the Act, the appointment of Dr. L. K. Malhotra, Chairman & Managing Director, Mr. Luv Malhotra, Joint Managing Director, Mr. Gagan Malhotra, Executive Director, Mr. N. K. Goel, Vice President (Finance)/Chief Financial Officer and Mr. G. J. Varadarajan, Company Secretary, are formalized as the Key Managerial Personnel of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and provisions of the Listing Regulations. The profile of the Independent Directors forms part of the Corporate Governance Report.

#### 5. MANAGEMENT DISCUSSION AND ANALYSIS

As required under the Listing Regulation with the Stock Exchange, the Management Discussion and Analysis Report is enclosed as a part of the Report.

#### 6. RIGHT ISSUE

In the Board Meeting held on 09.02.2016 a "Share Issuance Committee" was formed to augment fund resources. The Committee has decided to bring out a Right Issue in the ratio and at a premium in consultation with the Merchant Banker.

#### 7. SUBSIDIARY COMPANY

Our subsidiary, CHL International, a Joint Venture company in Dushanbe, Tajikistan has developed a Five-Star Hotel known as the Sheraton at Dushanbe, the capital of Tajikistan. This project has been financed by the Export Import Bank of India by way of a Term Loan aggregating to USD 32.50 million. The hotel has been in operation since 2015.

Shri Narendra Modi, our Honourable Prime Minister visited Dushanbe in July 2015 for High-Level talks with the President of Tajikistan Mr. Emomali Rahmon. The main spheres of talks concerned defence cooperation, connectivity, investment, security, energy and agriculture. Your Chairman & Managing Director Dr. L.K. Malhotra and your Executive Director Mr. Gagan Malhotra were also present to welcome Shri Modi to Dushanbe. The Prime Minister appreciated the efforts undertaken by your company towards the construction and development of the hotel project as a visible sign of Indian investment in Tajikistan. Smt. Sushma Swaraj our erstwhile External Affairs Minister had also visited the hotel while attending the 13th Annual summit of the Shanghai Cooperation organizations held in Dushanbe.

There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiary.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiary is set out in the prescribed form **AOC-1**, which forms part of the Annual Report as Annexure B.

Performance and financial position of the subsidiary company is separately given in the Annual Report.

#### 8. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. A complaint received in the previous year was settled by the Internal Complaints Committee. However, the parties preferred to go to Court. During the financial year 2015-16 no complaint was received on sexual harassment.

**9. WHISTLE BLOWER /VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.chl.co.in](http://www.chl.co.in) under investors/ Whistle Blower Policy link.

**10. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure- A.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**12. CONSOLIDATION OF FINANACIAL STATEMENT**

As stipulated by regulation 33 of the Listing Regulations, the Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with the Auditors' Report forms part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the Financial Statements of the subsidiary in the prescribed Form AOC-1 is annexed to this report at Annexure B.

The Annual Accounts of the Subsidiary shall be kept for inspection by shareholders in the head office of the holding company and the subsidiary company.

**13. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the Financial Year 2015-16, the applicable accounting standards have been followed and there is no material departure;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for the Financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. CORPORATE GOVERNANCE**

Your Company has taken adequate steps to adhere all the stipulations laid down in the Listing Regulation. A report on the Corporate Governance along with certificate from Practicing Company Secretary confirming the Compliance is included as part of the report.

**15. LISTING WITH STOCK EXCHANGE**

The Company confirms that it has paid the Annual Listing Fee for the year 2016-17 to Bombay Stock Exchange Limited (BSE), where the Company's Shares are listed.

**16. PARTICULARS OF EMPLOYEES**

Employees of the Company drawing remuneration above the limits specified under Section 197(12) of the Companies Act, 2013 read rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**(A) Personnel who are in receipt of remuneration aggregating not less than Rs.60,00,000 per annum and employed throughout the financial year**

Name	Dr. L. K. Malhotra
Designation	Chairman & Managing Director
Remuneration	Rs. 84 Lacs Per Annum
Nature of Employment	Permanent and subject to the provisions of Companies Act, 2013
Qualification	Honorary Ph. D
Experience	51 years
Date of Commencement of Present employment	25.10.1980
Age	72 Years
Previous Employment	M/s A. N. Malhotra & Sons, Kuwait
% of Shares held in the company	3.75
Whether related to any director	Related to Mr. Luv Malhotra, Joint Managing Director Mr. A. K. Malhotra Ms. Kajal Malhotra

**17. DEMATERIALISATION OF SHARES**

The total paid up equity share capital of the Company is Rs. 109,636,580 comprising of 5,48,18,290 equity shares of Rs. 2/- each. 5,00,43,870 (91.29%) Equity Shares of the Company stand dematerialized and balance 47,74,420 (8.71%) equity shares are still in physical form.

**18. AUDITORS' REPORT**

Auditors' observations are suitably explained in the Notes to the Accounts and are self explanatory.

**19. AUDITORS**

**Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s G Rai & Co. Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 35th Annual General Meeting (AGM) of the Company held on 29th September, 2014 till the conclusion of the 38th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. M/s G Rai & Co., have expressed their willingness to their confirmation of appointment as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013 and the Rules framed there under. In terms of the Listing Agreement/Regulations the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. His appointment is proposed for ratification in the ensuing Annual General Meeting.

**Internal Auditors**

M/s Gulvardhan Malik & Co., Chartered Accountants have been conducting periodic Internal Audit of all the operations of the Company. Internal Audit Reports are regularly placed before the Audit Committee for their review and for recommendation to the Board.

**Secretarial Auditors**

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s A. Chadha & Associates., Company Secretaries is continuing as Secretarial Auditor of the Company.

**20. REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:



(Rs. in Lacs)

S.No.	Name	Designation	Remuneration paid in FY 2015-16	Remuneration paid in FY 2014-15	Increase in remuneration from previous year	Ratio/ Times per Median of employee remuneration
1.	Dr. L. K. Malhotra	Chairman & Managing Director	84.00	84.00	Nil	45.16
2.	Mr. Luv Malhotra	Joint Managing Director	42.00	42.00	Nil	22.58
3.	Mr. Gagan Malhotra	Executive Director	42.00	42.00	Nil	22.58
4.	Mr. N. K. Goel	Vice President(Finance)/CFO	21.75	21.75	Nil	11.69
5.	Mr. G. J. Varadarajan	Company Secretary	07.86	07.49	0.37	04.23

**21. INTERNAL CONTROL**

The information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

**22. RISK MANAGEMENT**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

**23. DEPOSIT FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**24. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per section 135 and Schedule VII of the Companies Act, 2013, the Company is not required to constitute a Corporate Social Responsibility Committee and formulate policy as it does not fall within purview of Section 135(1) of the Companies Act, 2013.

**25. RELATED PARTY TRANSACTIONS**

During the year under review, there is no related party transaction covered under Section 188(1) of the Companies Act, 2013. Other Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules there under and the Listing Agreement. This Policy was approved by the Board and has been uploaded on the website of the Company at [www.chl.co.in](http://www.chl.co.in) under **Related Party Policy link**.

**26. BOARD EVALUATION**

The performance evaluation of the Board, its Committees and Individual Directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors. Based on the questionnaire and feedback, the performance of every Director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC). The Meeting of NRC also reviewed performance of the Managing Director (qualitative).

A separate meeting of the Independent Directors (“Annual ID meeting”) was convened, which reviewed the performance of the Board (as a whole), the Non-Independent Directors and the Chairman & Managing Director. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board’s Chairman covering performance of the Board as a whole; performance of the Non-Independent Directors and performance of the Board Chairman.

Some of the key criteria for performance evaluation are as follows –

**Performance evaluation of Directors**

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance/support to management outside Board/Committee meetings.

**Performance evaluation of Board and Committees**

- Degree of fulfillment of Key responsibilities
- Board structure and composition
- Establishment and delineation of responsibilities to committees.
- Effectiveness of Board processes, information and functioning.
- Board culture and dynamics.
- Quality of relationship between Board and Management.
- Efficacy of communication with external stakeholders.

**27. PARTICULARS AS PER SECTION 134(4)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014**

**Conservation of Energy**

Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. To give thrust on energy conservation, “optimum utilization of natural light”, is focused on and energy saving lighting solution such as light emitting diodes and solar panel and devices such as automated controls and sensors are fitted in wherever necessary and feasible.

**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 has earned Rs. 1628.31 Lacs Foreign Exchange (previous year Rs. 1446.46 Lacs) and used foreign exchange to the extent of Rs. 273.94 Lacs (previous year Rs. 334.80 Lacs).

**28. ACKNOWLEDGEMENTS**

Your Directors wish to convey their appreciation to the business associates for their support and contribution during the year. Your Directors would also like to thank Central Government and State Government especially Department of Tourism, employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management and the Company.

**For and on behalf of the Board**

Place: New Delhi  
Date: 27th May, 2016

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



**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on Financial Year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule  
12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS**

1.	CIN	L55101DL1979PLC009498
2.	Registration Date	16.03.1979
3.	Name of the Company	CHL LIMITED
4.	Category/Sub-category of the Company	HOSPITALITY
5.	Address of the Registered Office & contact details	HOTEL THE SURYAA COMMUNITY CENTRE, NEW FRIENDS COLONY, NEW DELHI -110025 PHONE : 91-11-26835070, E- mail: chl@chl.co.in
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED, BEETAL HOUSE, 3RD FLOOR, 99, MADANGIR BEHIND LOCAL SHOPPING CENTRE, NEW DELHI – 110062 Phone: 29961281-83 Fax: 29961284 E- mail: beetalrta@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the company	% to total turnover of the company
1.	ACCOMODATION, FOOD AND BEVERAGES SERVICES	55101	96.23%

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

S. No.	NAME	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	CHL International	Not applicable	Subsidiary Company	60.66%	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoters'</b>									
(1) <b>Indian</b>									
a) Individual/HUF	2270760	509850	2780610	5.07	2478260	302350	2780610	5.07	0

b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>SUB-TOTAL (A)(1)</b>	<b>2270760</b>	<b>509850</b>	<b>2780610</b>	<b>5.07</b>	<b>2478260</b>	<b>302350</b>	<b>2780610</b>	<b>5.07</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	1987400	2185460	4172860	7.62	3219659	1635480	4855139	8.86	1.24
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	32288300	0	32288300	58.90	32288300	0	32288300	58.90	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A)(2)</b>	<b>34275700</b>	<b>2185460</b>	<b>36461160</b>	<b>66.51</b>	<b>35507959</b>	<b>1635480</b>	<b>37143439</b>	<b>67.75</b>	<b>1.24</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>36546460</b>	<b>2695310</b>	<b>39241770</b>	<b>71.59</b>	<b>37986219</b>	<b>1937830</b>	<b>39924049</b>	<b>72.83</b>	<b>1.24</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	1500	0	1500	0	1500	0	1500	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1):</b>	<b>1500</b>	<b>0</b>	<b>1500</b>	<b>0</b>	<b>1500</b>	<b>0</b>	<b>1500</b>	<b>0</b>	<b>0</b>



<b>2. Non-Institutions</b>									
a) Bodies Corp.	781752	15000	796752	1.45	752932	1500	767932	1.40	-0.05
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individual	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	1237317	592088	1829405	3.34	1175912	580340	1756252	3.20	-0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1014247	0	1014247	1.85	440900	0	440900	0.81	-1.04
c) Others (specify)									
Non Resident Indians	7187305	4659700	11847005	21.61	9595655	2241250	11836905	21.60	-0.01
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreing Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	250	0	250	0	0	0	0	0	0
HUF	87611	0	87611	0.16	90502	0	90502	0.16	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>10308232</b>	<b>5266788</b>	<b>15575020</b>	<b>28.41</b>	<b>12056151</b>	<b>2836590</b>	<b>14892741</b>	<b>27.17</b>	<b>-1.24</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	10309732	5266788	15576520	28.41	12057651	2836590	14894241	27.17	-1.24
<b>C.Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>46856192</b>	<b>7962098</b>	<b>54818290</b>	<b>100</b>	<b>50043870</b>	<b>4774420</b>	<b>54818290</b>	<b>100</b>	<b>0</b>



**B) Shareholding of Promoters along with person acting in concert**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Renu Malhotra	2500	0.00	0	2500	0.00	0	0
2	Mr. A K Malhotra	4000	0.01	0	4000	0.01	0	0
3	Ms. Kajal Malhotra	5000	0.01	0	5000	0.01	0	0
4	Mrs. Anita Chopra	170850	0.31	0	170850	0.31	0	0
5	Mrs. Sunita Malhotra	61000	0.11	0	61000	0.11	0	0
6	Mr. D V Malhotra	892240	1.63	0	1330444	2.44	0	0.81
7	Mr. Luv Malhotra	354580	0.65	0	354580	0.65	0	0
8	Dr. Lalit Kumar Malhotra*	*2057680	3.75	0	*2057680	3.75	0	0
9	Mrs. Neera Malhotra	20800	0.04	0	20800	0.04	0	0
10	Mrs. Vasudha Malhotra	25000	0.05	0	25000	0.05	0	0
11	Mrs. Usha Malhotra	961830	1.76	0	1205905	2.20	0	0.44
12	Mrs. Sudershan Malhotra	75000	0.14	0	0	0	0	-0.14
13	Mr. Gagan Malhotra	75000	0.14	0	75000	0.14	0	0
14	Mr. Sunil Malhotra	100000	0.18	0	100000	0.18	0	0
15	Mr. Deepak Malhotra	100000	0.18	0	100000	0.18	0	0
16	Mr. Lokesh Malhotra	450080	0.81	0	450080	0.81	0	0
17	Mrs. Alka Malhotra	125000	0.23	0	125000	0.23	0	0
18	Mr. Kumud Malhotra	150000	0.27	0	150000	0.27	0	0
19	Mrs. Chand Malhotra	191650	0.35	0	191650	0.35	0	0
20	Mr. Bhupinder Nath Malhotra	474980	0.87	0	549980	1.00	0	0.13
21	Mr. Neel Kamal Malhotra	656280	1.20	0	656280	1.20	0	0
22	M/s Malbros Investments Inc	32288300	58.90	0	32288300	58.90	0	0
	<b>Total</b>	<b>39241770</b>	<b>71.59</b>	<b>0</b>	<b>39924049</b>	<b>72.83</b>	<b>0</b>	<b>1.24</b>

\*18,39,000 equity shares of Rs. 2/- each is held by Ultima Leasing & Financing through its partner Dr. Lalit Kumar Malhotra.

**C) Change in Promoters' Shareholding (Please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	39241770	71.59	39924049	72.83
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Mr. Dharam Vir Malhotra has acquired 438204 shares of Rs. 2/- each in demat form thus increased his shareholding to 13,30,444. Mrs. Usha Malhotra has acquired 244075 shares of Rs. 2/- each in demat form thus, increased her shareholding to 12,05,905.			
At the end of the year	39241770	71.59	39924049	72.83

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total of shares of the company	No. of shares	% of total of shares of the company
1	Mr. Vipen Kumar Sabharwal	2575375	4.70	2575375	4.70
2	Mr. Navin Sabharwal	2575375	4.70	2575375	4.70
3	Mrs. Pushpa Devi Bajaj	2393450	4.37	2393450	4.37
4	Mr. Om Parkash Bajaj	1055150	1.92	1055150	1.92
5	Mrs. Hemlata Sabharwal	906250	1.66	906250	1.66
6	Mr. Ashwani Bajaj	811250	1.48	811250	1.48
7	M/s. Jupiter Portfolios Pvt Ltd	569630	1.04	569630	1.04
8	Mrs. Rima Arora	339280	0.62	339280	0.62
9	Mrs. Purnima Pathela	327500	0.60	327500	0.60
10	Mrs. Ratna Bajaj	317000	0.58	317000	0.58

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

S. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
1.	Dr. L. K. Malhotra*	*2057680	3.75	*2057680	3.75	*2057680	3.75
2.	Mr. Luv Malhotra	354580	0.65	354580	0.65	354580	0.65
3.	Mr. Gagan Malhotra	75000	0.14	75000	0.14	75000	0.14
4.	Ms. Kajal Malhotra	5000	0.01	5000	0.01	5000	0.01

5.	Mr. A. K. Malhotra	4000	0.01	4000	0.01	4000	0.01
6.	Mr. Alkesh Tacker	21025	0.04	21025	0.04	21025	0.04
7.	Mr. Lalit Bhasin	0	0	0	0	0	0
8.	Mr. Subhash Ghai	0	0	0	0	0	0
9.	Mr. R.C Sharma	0	0	0	0	0	0
10.	Mr. Yash Kumar Sehgal	0	0	0	0	0	0
11.	Mr. N. K. Goel	30765	0.06	30765	0.06	30765	0.06
12.	Mr. G. J. Varadarajan	0	0	0	0	0	0

\*18,39,000 equity shares of Rs. 2/- each is held by Ultima Leasing & Financing through its partner Dr. L. K. Malhotra.

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

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Short term Loans/ Inter-corporate deposits	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	4,391.39	230.00	-	4621.39
ii) Interest due but not paid	12.67	-	-	12.67
iii) Interest accrued but not due	9.65	-	-	9.65
<b>Total (i+ii+iii)</b>	4413.71	230.00	-	4643.71
<b>Change in Indebtedness during the Financial Year</b>				
Addition	284.87	150.00	-	434.87
Reduction	258.09	380.00	-	638.09
<b>Net Change</b>	26.78	-230.00	-	-203.22
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	4,429.93	-	-	4,429.93
ii) Interest due but not paid	10.56	-	-	10.56
<b>Total (i+ii)</b>	4,440.49	-	-	4,440.49

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Rs. in Lacs)**

S.No.	Particulars of Remuneration	MD Dr. L. K. Malhotra	JMD Mr. Luv Malhotra	ED Mr. Gagan Malhotra	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	85.00	43.20	42.80	171.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.40	1.20
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>85.40</b>	<b>43.60</b>	<b>43.20</b>	<b>172.20</b>

\* including sitting fees for the Board/Committee Meetings.

**B. Remuneration to other Directors****(in Rs.)**

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	<b>Independent Directors</b>	<b>Mr. R. C. Sharma</b>	<b>Mr. Lalit Bhasin</b>	<b>Mr. Subhash Ghai</b>	<b>Mr. Yash Kumar Sehgal</b>	
	Fee for attending Board/ Committee Meetings	1,00,000	2,20,000	20,000	2,40,000	5,80,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>1,00,000</b>	<b>2,20,000</b>	<b>20,000</b>	<b>2,40,000</b>	<b>5,80,000</b>
2.	<b>Other Non-Executive Directors</b>	<b>*Mr. D.V. Malhotra</b>	<b>Mr. A. K. Malhotra</b>	<b>**Mr. O.P. Bajaj</b>	<b>Ms. Kajal Malhotra</b>	
	Fee for attending Board/ Committee Meetings	60,000	1,20,000	1,00,000	1,20,000	4,00,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>60,000</b>	<b>1,20,000</b>	<b>1,00,000</b>	<b>1,20,000</b>	<b>4,00,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,60,000</b>	<b>3,40,000</b>	<b>1,20,000</b>	<b>3,60,000</b>	<b>9,80,000</b>

\* Mr. D.V. Malhotra ceased to be a Director w.e.f. 16.11.2015

\*\* Mr. O.P. Bajaj ceased to be a Director w.e.f. 16.11.2015

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

(Rs. in Lacs)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	TOTAL
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.75	7.86	29.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	<b>Total</b>	<b>21.75</b>	<b>7.86</b>	<b>29.61</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [ RD / NCLT/ COURT ]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

**FORM AOC - 1****(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)****Statement containing salient features of the financial statement of subsidiary**

1.	Name of the subsidiary	CJSC CHL International (Incorporated at Tajikistan)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.12.2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Somoni (1 Somoni = Rs.8.435 as on 31.03.2016)
4.	Share capital	Rs. 11441.68 Lacs
5.	Reserves & surplus	(Rs. 2360.25 Lacs)
6.	Total assets	Rs. 32680.50 Lacs
7.	Liabilities (Total Liabilities minus(Share Capital+Reserves)	Rs. 23599.07 Lacs
8.	Investments	Rs. 0.25 Lacs
9.	Turnover (Including other income)	Rs. 1563.24 Lacs
10.	Profit/(Loss)before taxation	(Rs. 2454.35 Lacs)
11.	Provision for taxation	Nil
12.	Profit/(Loss) after taxation	(Rs. 2454.35 Lacs)
13.	Proposed Dividend	Nil
14.	% of shareholding	60.66%

**Notes:** There is no subsidiary which is yet to commence operation.  
There is no subsidiary which has been liquidated or sold during the year.

Place: New Delhi  
Date: 27th May, 2016

**For and on behalf of the Board of Directors  
Chairman and Managing Director**

## MANAGEMENT DISCUSSIONS AND ANALYSIS

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

Hotel The Suryaa New Delhi, 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. Your Hotel stands out as a prominent land mark hotel with a new and fresh look of the Hotel among the Star Hotels in Delhi.

The Hotel has 49 Superior Rooms, 25 Special Superior Rooms, 88 Deluxe Rooms, 39 Club Deluxe, 33 Club Premier Rooms, 6 Deluxe Suite, 3 Luxury Suite, and 1 Presidential Suite. The Hotel offers food with quality and style and there is enough variety of food so that one can enjoy and relish. The food is international, contemporary and casual.

**Sampan** - the 92 cover restaurant for authentic Cantonese and Pan Asian restaurant and a panoramic roof top view of the city. **Ssence** - the 146 cover the 7 -12 hour multi cuisine restaurant - guest can take advantage of the global cuisine-dining facility at the lobby level, catering to all contemporary international taste. **Atrium Lounge Bar** - one can enjoy the world's finest liquors and sprits; **Club one** – the fitness center which offers a full fledged Ayurvedic Treatment Center cum Spa, physical therapy, cardiopulmonary rehabilitation and weight control programs.

### (b) Internal Control Systems 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 periodically by the Internal Auditors M/s. Gulvardhan Malik & Co. 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.

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

#### Key elements of the Internal Control Systems are as follows:

- (i) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (ii) Existence of clearly defined organizational structure and authority.
- (iii) Existence of corporate policies for Financial Reporting and Accounting.
- (iv) Existence of Management information system updated from time to time as may be required.
- (v) Existence of Annual Budgets and Long Term Business Plans.
- (vi) Existence of Internal Audit System.
- (vii) Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

### (c) Risk and concerns

Management identifies potential risks associated with the company's business and periodically keeps the Board informed of the risks and the measures taken by the company to mitigate such risks. 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. The policy for risk management and risk management committee has been constituted.

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

The turnover of the Company for the Financial Year under review is higher by 3.65% as compared to the previous year's turnover. Operating Profit is higher by 31.35% as compared to the previous year's profit. Net Profit after Tax for the year under review is higher by 83% over the previous year's Net Profit. In the coming years the "Make in India" policy will impact, improve and be conducive to the manufacturing sectors fuelling the economic growth. India is among the most promising economics in the emerging markets. It has solid growth momentum. It is benefiting from favorable terms of trade, highly respected policy makers and is attracting much deserved attention for both domestic and foreign investors.

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

An Internal Complaint Committee (ICC) pursuant to the provisions of Companies Act, 2013 for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places is in place.

The Company continued the welfare activities for the employees, which include Medical Care, Group Insurance, and Cafeteria Facility. To enrich the skills/experience of the employees, your Company arranges practical Training Courses by Internal Faculty.

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 Regulations and as such cannot be constitute as holding for any forecast/projection/explanation. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

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



## CHL LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 1. COMPANY'S PRACTICE ON CORPORATE GOVERNANCE

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization. At CHL Limited, the Corporate Governance has been integral part of the way we have been doing our business since inception. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholders' value. Good Corporate Governance leads to long term stakeholders' value.

The company places great emphasis on values such as empowerment and integrity of the employees, safety of the employees, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth.

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies and practices are reviewed periodically to ensure its effective compliance. The composition of Board of Directors is well equipped with a view to manage the affairs of the Company efficiently and professionally.

#### 2. BOARD OF DIRECTORS

The Company has balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of manufacturing, finance & taxation, economics, law, Governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. The composition of the Board is as per the provisions of the Companies Act, 2013 and the Listing Regulations.

##### (i) Composition and Category of Directors as on 31st March, 2016 is as follows:

Category	No. of Directors
Executive Directors	3
Non Executive Non Independent Directors	2
Independent Directors	5
<b>Total</b>	<b>10</b>

##### (ii) Date of Board Meetings

The Board of Directors duly met five times during the Financial Year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

S.No.	Date of Board Meeting
1.	25.05.2015
2.	11.08.2015
3.	18.09.2015
4.	14.11.2015
5.	09.02.2016

##### (iii) Attendance at the Board Meetings and at the last AGM held on 18.09.2015

Name of Directors	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
Dr. L. K. Malhotra	5	Yes
Mr. D. V. Malhotra*	3	Yes
Mr. O. P. Bajaj*	3	Yes
Mr. A. K. Malhotra	5	Yes
Mr. Subhash Ghai	1	No
Mr. Luv Malhotra	5	Yes
Mr. R. C. Sharma	5	Yes
Mr. Gagan Malhotra	4	Yes
Mr. Lalit Bhasin	5	No
Mr. Yash Kumar Sehgal	5	Yes
Ms. Kajal Malhotra	5	Yes
Mr. Alkesh Tacker**	-	-

\* Mr. O.P. Bajaj and Mr. D.V. Malhotra resigned from the Directorship of the company w.e.f. 16.11.2015.

\*\* Mr. Alkesh Tacker was appointed as an Additional Director w.e.f. 15.03.2016.

**(iv) Particulars of Directorships in other Companies****Other Directorships including other Board Committee Members**

<b>S.No.</b>	<b>Name of the Director and Designation</b>	<b>Directorship in other Companies*</b>	<b>Other Board Committee Members*</b>
1.	Dr. L. K. Malhotra Chairman and Managing Director	1. Mohan Meakin Ltd. 2. Taurus Investment Trust Co. Ltd. 3. Mohan Rocky Springwater Breweries Ltd. 4. Kyjol Projects Pvt. Ltd. 5. Sunkalp Portfolio Investments Private Ltd. 6. Jigrai Hydropower Private Limited 7. Malbros Holdings Private Limited	<b>Audit Committee</b> 1. Mohan Meakin Ltd.- Chairman 2. Taurus Investment Trust Co. Ltd.-Member  <b>Nomination &amp; Remuneration Committee</b> Mohan Meakin Ltd. - Chairman  <b>Stakeholders' Relationship Committee</b> Mohan Meakin Ltd.- Chairman
2.	Mr. A. K. Malhotra Non - Executive Non Independent Director	1. Mela Hotels Ltd. Managing Director 2. Vatsal Food Processing Industries Pvt. Ltd.	-
3.	Mr. Subhash Ghai Independent Director	1. Mukta Arts Limited Chairman & Managing Director 2. Whistling Woods International Limited 3. Connect 1 Ltd 4. Mukta V N Films Limited 5. Mukta Tele Arts Pvt. Ltd. 6. Coruscant Tec Pvt. Ltd. 7. The Film & Television Producers Guild of India Ltd. 8. Attitude India Media Private Limited	-
4.	Mr. Luv Malhotra Joint Managing Director	1. Kyjol Projects Pvt. Ltd. 2. CHL (South) Hotels Ltd. 3. Sunkalp Portfolio Investments Pvt. Ltd. 4. Malbros Holding Private Limited 5. Hotel And Restaurant Associations of Northern India-Managing Director 6. The Federation of Hotel and Restaurant Associations of India 7. Chandigarh Industrial and Tourism Development Corp Ltd - NomineeDirector 8. HB Estate Developers Limited 9. Express Digital Payment Service Pvt. Ltd. - Additional Director	-

5.	Mr. R. C. Sharma Independent Director	1. Sir Shadilal Enterprises Ltd. 2. HB Portfolio Ltd. 3. PCI Ltd. 4. Indsec Securities & Finance Ltd	<b>Audit Committee</b> 1. Sir Shadilal Enterprises Ltd.-Member 2. PCI Ltd.-Member <b>Nomination &amp; Remuneration Committee</b> 1. Sir Shadilal Enterprises Ltd.-Member 2. HB Portfolio Ltd. Member 3. PCI Ltd. -Member <b>Stakeholders' Relationship Committee</b> PCI Ltd - Member
6.	Mr. Gagan Malhotra Executive Director	Rache Overseas Pvt. Ltd	-
7.	Mr. Lalit Bhasin Independent Director	1. HB Leasing & Finance Co. Ltd. Chairman 2. HB Stockholdings Ltd. Chairman 3. HB Portfolio Ltd.- Chairman 4. HB Estate Developers Ltd. Chairman 5. Taurus Asset Management Co. Ltd. 6. RRB Master Securities Delhi Ltd. 7. Mansingh Hotels & Resorts Ltd. 8. HB Financial Consultants Pvt. Ltd. 9. HBB Properties Pvt. Ltd. 10. RRB House Finance Pvt. Ltd. 11. Pal Properties (India) Pvt. Ltd. 12. ALMR Gem & Trading Pvt. Ltd. 13. Jaypee Infratech Limited	<b>Audit Committee</b> 1. HB Leasing & Finance Co Ltd - Member 2. Mansingh Hotels and Resorts Ltd - Member <b>Stakeholders' Relationship Committee</b> HB Leasing & Finance Co Ltd - Chairman <b>Nomination &amp; Remuneration Committee</b> HB Leasing & Finance Co Ltd - Member <b>Corporate Social Responsibility Committee</b> HB Stockholdings Ltd.-Chairman
8.	Mr. Yash Kumar Sehgal Independent Director	1. Mohan Meakin Limited 2. Malbros Holdings Private Limited 3. CHL (South) Hotels Limited 4. Mohan Rocky Spring Water Breweries Limited- Additional Director 5. Taurus Investment Trust Company Ltd.	<b>Audit Committee</b> CHL (South) Hotels Ltd. - Chairman <b>Nomination &amp; Remuneration Committee</b> CHL (South) Hotels Ltd. - Chairman
9.	Ms. Kajal Malhotra Non-Executive Non Independent Director	1. Malbros Holdings Private Limited-Chairman & Managing Director 2. Sunkalp Portfolio Investments Pvt. Ltd 3. Kyjol Projects Pvt. Ltd	-
10.	Mr. Alkesh Tacker** Additional Director (Independent)	1. CSI Telecoms Pvt. Ltd. Managing Director 2. U-Turn Promoters Pvt. Ltd.	-

\*Excluding foreign and Companies registered under Section 8 of the Companies Act, 2013.

\*\*Mr. Alkesh Tacker was appointed as an Additional Director w.e.f. 15.03.2016.

### 3. INDEPENDENT DIRECTOR

The Company has complied with the provisions of Independent Directors as per the Listing Regulations and according to the Provisions of section 149(6) of the Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013, confirming the Meeting of the criteria of independence as stipulated under the Companies Act, 2013 and Listing Regulations.

#### Training of Independent Director

Whenever an Independent Director is inducted on the Board he is introduced to our Company's culture through appropriate orientation session and is also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors have been placed on the Company's website at [www.chl.co.in](http://www.chl.co.in) under **investors Section, Independent Directors Appointment letters link**.

#### Performance Evaluation of Independent Directors and Non-Executive Non -Independent Directors

The Board evaluates the performance of Independent Directors and Non-executive Non Independent Directors every year. All the Independent Directors and Non-executive Non Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions/administration.

#### Separate Meeting of the Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 09.02.2016 to receive the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committee which is necessary to effectively and reasonably perform and discharge their duties.

### 4. BOARD COMMITTEES

The Board Committees are as under:

S. No.	Name of the Committee
(a)	Audit Committee
(b)	Nomination & Remuneration Committee
(c)	Stakeholders Relationship Committee
(d)	Risk Management Committee

#### (a) AUDIT COMMITTEE

##### i) Terms of Reference

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, Financial Results, effectiveness of Internal Audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by the regulatory requirements mandated by the Companies Act, 2013 and as per the Listing Regulation.

##### ii) Composition

As on 31.03.2016, the Audit Committee of the Company consists of two Independent Directors and one Non Executive Non Independent Director.

The Chairman of the Audit Committee is Financially literate and other Members are having accounting or related financial management experience. The Company Secretary of the Company acts as Secretary to the Committee.

### iii) Meetings

During the year under review the Committee had four Meetings as under:

S.No.	Date of Committee Meetings
1.	25.05.2015
2.	11.08.2015
3.	14.11.2015
4 .	09.02.2016

### iv) Members and Attendance

Name of Members	Position	No. of Meetings Attended
Mr. Yash Kumar Sehgal	Chairman	4
Mr. Lalit Bhasin	Member	4
Mr. O. P. Bajaj*	Member	2
Mr. Luv Malhotra**	Member	1

\* Mr. O. P. Bajaj ceased to be a member of the Audit Committee w.e.f. 16.11.2015.

\*\*Mr. Luv Malhotra became a member of the Audit Committee w.e.f. 16.11.2015.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

## (b) NOMINATION AND REMUNERATION COMMITTEE

### (i) Terms of Reference

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance.

### ii) Composition

The Nomination and Remuneration Committee of the Company consists of two Independent Directors including Chairman and one Non Executive Non Independent Director.

### iii) Meeting

During the year the Committee had two meetings i.e. on 25.05.2015 and 09.02.2016.

### iv) Members and Attendance

Name of Members	Position	No. of Meeting Attended
Mr. Lalit Bhasin	Chairman	2
Mr. Yash Kumar Sehgal	Member	2
Mr. O. P. Bajaj*	Member	-
Ms. Kajal Malhotra**	Member	1

\* Mr. O. P. Bajaj ceased to be a member of the Nomination and Remuneration Committee w.e.f. 16.11.2015.

\*\*Ms. Kajal Malhotra became a member of the Nomination and Remuneration Committee w.e.f. 16.11.2015.

### **(c) STAKEHOLDERS RELATIONSHIP COMMITTEE**

#### **i) Terms of Reference**

The Committee focuses primarily on monitoring expeditious redressal of investors/stakeholders grievances and also functions in an efficient manner that all issues/concerns stakeholders are addressed / resolved promptly.

#### **ii) Composition of the Committee**

The Committee consists of two Independent Directors and one Non-executive and Non-Independent Director. The Company Secretary of the Company acts as Secretary to the Committee.

#### **iii) Meeting**

During the year the Committee had one meeting i.e. on 09.02.2016.

#### **iv) Members and Attendance**

<b>Name of Members</b>	<b>Position</b>
Mr. Yash.Kumar Sehgal*	Chairman
Mr. A. K. Malhotra	Member
Mr. Lalit Bhasin	Member

\* Mr Yash Kumar Sehgal became Chairman of the Committee w.e.f. 16.11.2015.

The Company attends to the investors/shareholders' correspondence and share transfers expeditiously and usually replies are sent within a period of 15 days of receipt, except in those cases which are disputed and sub-judice. There are no pending share transfers as on 31st March 2016. The Company furnishes necessary documents/information to Shareholders.

The Company received two complaints from shareholders during the year under review. The grievances were duly attended and the Company has furnished necessary documents/information to the shareholders. Non receipt of Annual Report and past years dividends were immediately attended. No grievances were pending at the year end. A separate e-mail ID: [invcom@chl.co.in](mailto:invcom@chl.co.in) operates as a dedicated ID solely for the purpose of registering investor complaints.

#### **iii) Name and Designation of Compliance Officer**

Mr. G. J. Varadarajan, Company Secretary and Compliance Officer.

### **(d) RISK MANAGEMENT COMMITTEE**

#### **i) Terms of Reference**

The Company recognizes risk management as an integral component of good Corporate Governance and as a fundamental in achieving its strategic and operational objectives. It may impact shareholders' value. This Risk Management Policy applies to all team members, whether full time, part time or casual at any level of seniority within the business. The policy also applies to contractors and consultants working on behalf of CHL Ltd. This Policy as approved by the Board in the previous Financial Year has already been uploaded on the website of the Company at [www.chl.co.in](http://www.chl.co.in) under **Risk Management Policy link**.

#### **ii) Composition**

The Risk Management Committee of the Company consists of two Independent Directors including Chairman, one Executive Director and one Senior Executive.

<b>Name of Members</b>	<b>Position</b>
Mr. Yash Kumar Sehgal	Chairman
Mr. Lalit Bhasin	Member
Mr. Luv Malhotra	Member
Mr. Navneet Dhawan	Senior Executive

There are periodical discussions among the Members and with Senior Executives of the Company.

## 5. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are as under:

Location and time for the last three AGMs:

Year	Date	Venue	Time	Whether Special Resolution Passed
2012-13	25.09.2013	Registered Office	11.30 PM	Yes
2013-14	29.09.2014	Registered Office	12.30 PM	Yes
2014-15	18.09.2015	Registered Office	12:30 PM	Yes

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

No Postal Ballot was conducted during the year.

No Extraordinary General Meeting was held during the year.

## 6. DISCLOSURES

### (a) Basis of related party transactions

During the year under review, the Company has not entered into any Related Party Transactions which are covered under Section 188 of the Companies Act, 2013.

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of the auditors confirming the compliance, is annexed and forms part of this Annual Report.

### (b) Disclosure of Accounting Treatment

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### (c) Board Disclosures - Risk Management

The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the Executive Management.

### (d) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

### (e) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on Quarterly/Annual basis from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

### (f) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

### (g) Shareholders

(i) The quarterly results are put on the Company's website [www.chl.co.in](http://www.chl.co.in) under the Investor Section.

(ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant and physical copy on request who have no email id.

**7. CEO AND CFO CERTIFICATION**

The CMD & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**8. COMPLIANCE ON CORPORATE GOVERNANCE**

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to the Listing Regulations, the Secretarial Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

**9. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, your Company has adopted Whistle Blower Policy/Vigil Mechanism in the Board Meeting held on 09.08.2014 and the same has been uploaded on the Company's Website.

**10. MEANS OF COMMUNICATION**

Quarterly, Half-yearly and Annual Financial Results of the Company are communicated to the Stock Exchange immediately after the same are considered by the Board and are published in the Business Standard (Delhi & Mumbai) English and Hindi Edition. The results and official news releases of the Company are also made available on the Company's website i.e. [www.chl.co.in](http://www.chl.co.in).

**11. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

**12. SHAREHOLDERS INFORMATION**

37th Annual General Meeting	:	12th August, 2016, at 12:30 PM
Date, Time and Venue	:	Hotel The Suryaa, New Friends Colony, New Delhi 110025
Financial Year	:	1st April, 2015 to 31st March, 2016
Book Closure Date	:	02.08.2016 to 12.08.2016 (both days inclusive)
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited
Scrip Code	:	532992
ISIN	:	INE790D01020

**Listing Fee**

The Company has paid listing fees for the year 2016-17 to the Bombay Stock Exchange.

**Market Price Data**

The official quoted price at the Bombay Stock Exchange during the financial year 2015-16 is as under:



**Scrip Code: 532992 Company: CHL LTD**  
**For the Period: April 2015 to March 2016**

Month	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr 15	14.70	14.70	12.35	12.35	9,509	64	1,28,291
May 15	12.35	12.35	11.16	11.71	5,502	15	63,547
Jun 15	12.29	15.60	12.29	12.80	24,582	73	3,41,866
Jul 15	13.40	15.43	13.00	15.00	33,429	155	4,89,289
Aug 15	15.75	20.94	12.87	12.87	1,00,922	274	17,89,543
Sep 15	12.23	13.15	10.90	12.40	38,482	59	4,34,187
Oct 15	11.78	16.12	11.78	15.40	4,903	33	70,172
Nov 15	14.65	14.65	10.80	11.80	8,055	40	94,165
Dec 15	12.39	13.99	11.40	12.51	19,920	71	2,58,941
Jan 16	13.11	14.35	12.11	14.30	8,550	17	1,12,042
Feb 16	15.00	15.49	15.00	15.45	248	5	3,831
Mar 16	16.00	16.00	15.20	15.20	8,415	20	1,30,232

**13. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF**

Pursuant to provisions of Section 205A(5) of the Companies Act, 1956 an aggregate amount of Rs. 3,64,374/- was transferred to Investors Education and Protection Fund (IEPF) during the year under review.

**14. UNCLAIMED DIVIDEND**

Reminders for unpaid dividend are sent to those Shareholders whose dividend is lying unclaimed in Dividend Accounts as per Bank records every year. Also year-wise list of the Shareholders who have not claimed their dividend is posted at website of Ministry of Corporate Affairs (MCA) in line with its Circular.

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

Financial Year Ended	Date of declaration of dividend	Due for transfer
31st March 2009 (Final)*	23.09.2009	October, 2016
31st March 2010 (Interim)	25.01.2010	February, 2017
31st March 2010 (Final)	21.09.2010	October, 2017
31st March 2011 (Interim)	27.01.2011	February, 2018
31st March 2011 (Final)	23.09.2011	October, 2018
31st March 2012 (Interim)	10.02.2012	March, 2019
31st March 2012 (Final)	25.09.2012	October, 2019
31st March 2013 (Interim)	08.02.2013	March, 2020
31st March 2013 (Final)	25.09.2013	October, 2020



\*Unpaid/Unclaimed Final Dividend pertaining to the year ended 31.03.2009 is being transferred to Investors Education and Protection Fund (IEPF) in the month of October, 2016. As such it will not be possible to entertain Dividend Claim pertaining to the year 2009, after September, 2016. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

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

## **15. REGISTRAR AND SHARE TRANSFER AGENT (R&T)**

M/s. Beetal Financial & Computer Services Pvt. Ltd. is Registrar and Transfer Agent of the Company. Any request pertaining to investor relations may be addressed to the following address:

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

Investor correspondence may also be addressed to:  
Mr. G. J. Varadarajan  
Company Secretary & Compliance Officer  
CHL Limited, Hotel The Suryaa  
New Friends Colony, New Delhi 110025  
Tel. 91-11-26835070, 47808080 Fax: 47808081  
Email: [chl@chl.co.in](mailto:chl@chl.co.in)

## **16. 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. Further the same power has been delegated to our Registrar and Transfer Agent also to ensure the smooth functioning of the share transfer system. They periodically attend 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 15 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 request for dematerialization of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

### **Mandatory requirement of PAN**

SEBI vide its circular dated 7th January, 2010 has made it mandatory to furnish PAN copy in the following cases.

- i) Deletion of name of deceased shareholder(s), where the shares are held in the name of the two or more shareholders.
- ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

## **17. SHAREHOLDING PATTERN AS ON MARCH 31, 2016**

### **(a) Shareholding Pattern**

Category	No of Shareholders	No. of shares held	% of shareholding
Promoters(including persons acting in concert and OCB)	22	3,99,24,049	72.83
Public	2168	1,48,94,241	27.17
<b>Total</b>	<b>2190</b>	<b>5,48,18,290</b>	<b>100</b>

**(b) Distribution of Shareholding**

Range of shares	No. of shareholders	% of Shareholders to total	No. of shares of Rs. 2/- each held	% to total shareholding
Upto 5,000	2,063	94.20	12,69,064	2.32
5,001 to 10,000	38	1.73	3,17,157	0.58
10,001 to 20,000	28	1.28	3,70,799	0.68
20,001 to 30,000	20	0.91	4,96,015	0.90
30,001 to 40,000	4	0.18	1,43,025	0.26
40,001 to 50,000	4	0.18	2,00,000	0.36
50,001 to 1,00,000	7	0.32	5,19,601	0.95
1,00,001 and above	26	1.19	5,15,02,629	93.95
<b>Total</b>	<b>2190</b>	<b>100</b>	<b>5,48,18,290</b>	<b>100</b>

**18. DEMATERIALISATION OF SHARES**

The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. Equity shares are traded at BSE.

The Paid-up Share Capital of the Company is Rs. 109,636,580 comprising of 5,48,18,290 Equity Shares of Rs. 2/- each. 5,00,43,870 (91.29%) Equity Shares of the Company stand dematerialized and balance 47,74,420 (8.71%) Equity Shares are still in physical form.

**19. HOTEL LOCATION**

Your Hotel The Suryaa is located at Community Centre, New Friends Colony, New Delhi 110025.

**20. ADDRESS OF REGISTERED OFFICE/ADDRESS FOR CORRESPONDENCE**

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 : 011-26836288

**21. CODE OF CONDUCT**

**DECLARATION**

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the Listing Regulations with stock exchanges, all the Directors and the designated personnel in the Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2016.

Place: New Delhi  
Date: 27.05.2016

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

**22. PREVENTION OF INSIDER TRADING**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has instituted a code of conduct for prohibition of insider trading in the company's shares.

**23. RECONCILIATION OF SHARE CAPITAL AUDIT**

Reconciliation of Share Capital Audit is being carried out every quarter by Practicing Company Secretaries – M/s A. Chadha & Associates and the Reports are placed before the Board for their consideration and review and filed regularly with the Bombay Stock Exchange within the stipulated time. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

**24. CORPORATE IDENTITY NUMBER (CIN)**

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L55101DL1979PLC009498.

**25. GREEN INITIATIVE IN THE CORPORATE GOVERNANCE**

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in physical mode.

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**CERTIFICATE BY CEO/CFO**

The Board of Directors

CHL Limited

1. We have reviewed Financial Statements and the Cash Flow Statements of the Company for the year ended 31.03.2016 and that to the best of our knowledge and belief, we state that these statements:
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
  - (ii) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year that is fraudulent, illegal or violation 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) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee.

**N.K. Goel**  
**Vice President (Finance)/CFO**

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

Place: New Delhi  
Date: 27.05.2016



**A. CHADHA & ASSOCIATES**  
**Company Secretaries**  
**Plot No. 52, Mohayla Colony, Sector-40 Gurgaon**  
**011-47440730, 0124-4041328**  
**Email : [arvindchadha@yahoo.com](mailto:arvindchadha@yahoo.com)**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

The Members of M/s CHL Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. CHL Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the Financial Year commencing from 1st April, 2015 and ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. CHL Limited ("The Company") for the financial year ended on 31st March, 2016, according to the provision of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable.
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of;
    - (a) External Commercial Borrowings were in accordance with the provisions of the law during the financial year under report;
    - (b) Foreign Direct Investment (FDI) was not attracted to the company during the financial year under report;
    - (c) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were in accordance with the provisions of the law during the Financial Year under report;
    - (d) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs ADRs or any Commercial Instrument during the Financial Year under report;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 01.12.2015.

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not covered during the financial year under review by the Company:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - vii. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
3. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. We further report that :
  - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
  - (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
7. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that during the audit period the company has not taken any action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For A. Chadha & Associates**  
**Company Secretaries**  
**FCS NO. 5271**  
**CP. NO. 3732**

**Place : New Delhi**  
**Date : 16th May, 2016**



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**AUDITORS' REPORT****THE SHAREHOLDERS,****CHL LIMITED****NEW DELHI****Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of CHL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit/loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:



- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" ; and
- g. with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
  - i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund.

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

**GULSHAN RAI**  
**PARTNER**  
**Membership No.3921**

Place: New Delhi  
Date: 27th May, 2016

**Annexure-A to the Auditors' Report****The Annexure referred to in Independent Auditors' Report of even date to the members of CHL Limited on the accounts of the company for the year ended 31st March, 2016**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at the year end and no material discrepancies were noticed on such verification; In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) In our opinion and accordance to the information and explanations given to us, the company is maintaining proper records of its inventories showing full particulars.
- (b) As informed to us, the inventory has been physically verified at the yearend by the management and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business.
- (iii) As explained to us, the company has not granted any loans, secured or unsecured, to corporate, firms, LLP or other entities covered in the register maintained under section 189 of the Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has complies with the provision of section 185 and 186 of the Act, with respect to the loans and investments made; and the company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) The provisions of section 148(1) of the Act regarding maintenance of Cost Records are not applicable to the company.
- (vii) (a) The company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, VAT, Wealth tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues with the appropriate authorities and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than 6 months from the date they became payable.
- (b) According to information and explanation given to us by the company and its tax advisor / consultant, following dues of income tax have not been deposited by the company on account of disputes:-

S. No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relate	Forum where dispute is pending
1	Income-tax Act 1961	Income tax	3381982	AY 1999-00	ITAT
2	Income-tax Act 1961	Income tax	5176278	AY 2000-01	ITAT
3	Income-tax Act 1961	Income tax	5205310	AY 2008-09	CIT (Appeal)
4	Income-tax Act 1961	Income Tax	716786	AY 2009-10	CIT (Appeal)
5	Income-tax Act 1961	Income Tax	432959	AY 2010-11	Rectification Pending u/s 154
6	Income-tax Act 1961	Income Tax	11125610	AY 2011-12	CIT (Appeal)
7	Income-tax Act 1961	Income Tax	4564190	AY 2012-13	CIT (Appeal)
8	Income-tax Act 1961	Income Tax	6053880	AY 2013-14	CIT (Appeal)

- (c) In our opinion and according to the information and explanation given to us, amounts required to be transferred to the Investor Education and Protection Funds in accordance with the relevant provisions of the Companies Act 1956 and Rules there under have been transferred to such fund within time.

- (viii) According to information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution, bank or Government.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) In our opinion and according to the information and explanation given to us, no material fraud by the company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the record of the Company, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**GULSHAN RAI**  
**PARTNER**  
**Membership No.3921**

Place: New Delhi  
Date: 27th May, 2016

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

We have audited the internal financial controls over financial reporting of CHL Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For G. RAI & CO.**  
**Chartered Accountants**  
**(Registration No.001479N)**

Place : New Delhi  
Date : 27th May, 2016

**GULSHAN RAI**  
**Partner**  
**Membership No.3921**

**CHL LIMITED****BALANCE SHEET AS AT MARCH 31, 2016****Lac Rs.**

Particulars		Note No.	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015	
<b>I EQUITY AND LIABILITIES</b>						
<b>(1) Shareholders' Funds</b>						
(a) Share Capital	2	1,096.37		1,096.37		
(b) Reserve & Surplus	3	8,125.88	9,222.25	7,827.22	8,923.59	
<b>(2) Non-Current Liabilities</b>						
(a) Long Term Borrowings	4	4,440.49		4,413.71		
(b) Deferred Tax Liability (Net)	5	544.13		416.01		
(c) Other Long term Liabilities	6	291.55		304.26		
(d) Long Term Provisions	7	55.16	5,331.33	78.90	5,212.88	
<b>(3) Current Liabilities</b>						
(a) Short Term Borrowings	8	624.45		1,993.63		
(b) Trade Payable	9	632.89		638.83		
(c) Other Current Liabilities	10	499.41		396.51		
(d) Short Term provisions	11	41.14	1,797.89	26.86	3,055.83	
<b>TOTAL</b>			<b>16,351.47</b>		<b>17,192.30</b>	
<b>II ASSETS</b>						
<b>Non Current Assets</b>						
<b>(1) (a) Fixed Assets</b>						
(i) Tangible Assets	12	6,054.27		5,289.01		
(ii) Capital Work in Progress		38.14		319.10		
		6,092.41		5,608.11		
(b) Non-current Investments	13	7,276.21		7,195.74		
(c) Long Term Loans & Advances	14	878.89		954.93		
(d) Other Non Current Assets	15	32.86	14,280.37	-	13,758.78	
<b>(2) Current Assets</b>						
(a) Inventories	16	466.31		459.88		
(b) Trade Receivables	17	406.08		427.16		
(c) Cash & Cash equivalents	18	732.66		1,908.20		
(d) Short Term Loans & Advances	19	319.07		432.89		
(e) Other Current Assets	20	146.98	2,071.10	205.39	3,433.52	
<b>TOTAL</b>			<b>16,351.47</b>		<b>17,192.30</b>	

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

Joint Managing Director

**L.K. MALHOTRA**

Chairman &amp; Managing Director

**Gulshan Rai**Partner  
Membership No. 3921**N.K. GOEL**

Vice President Finance &amp; CFO

**G.J. VARADARAJAN**

Company Secretary

Place: New Delhi

Date : 27th May, 2016

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**
**Lac Rs.**

	<b>Note No.</b>	<b>Figures for the current reporting period 31st March, 2016</b>	<b>Figures for the previous reporting period 31st March, 2015</b>
I	a) Revenue from Operations	21 <b>5,837.29</b>	5,640.43
	b) Other Income	22 <b>228.87</b>	212.11
	Total Revenue	<b>6,066.16</b>	5,852.54
II	<b>Expenses</b>		
	a) Cost of Material Consumed	23 <b>713.08</b>	756.08
	b) Employee benefit expense	24 <b>1,674.79</b>	1,706.13
	c) Finance Cost	25 <b>648.50</b>	404.90
	d) Operational Expenses	26 <b>2,542.58</b>	2,525.71
	e) Depreciation and amortisation expense	<b>211.97</b>	412.17
	Total Expenses	<b>5,790.92</b>	5,804.99
III	Earning before tax, prior period and extra ordinary items	<b>275.24</b>	47.55
IV	Prior Period Adjustment of tax	27 <b>-</b>	11.98
V	Extraordinary items	28 <b>(32.10)</b>	-
VI	Profit before Tax (III - IV - V)	<b>243.14</b>	59.53
VII	<b>Tax Expenses</b>	29	
	a) Current Tax	<b>56.06</b>	10.25
	b) Deferred Tax	<b>128.12</b>	1.17
	c) Less MAT Credit Entitlement	<b>(45.69)</b>	(9.06)
VIII	Profit (Loss) for the period (VI - VII)	<b>104.65</b>	57.17
IX	Earnings Per Share (nominal value of share Rs. 2 (previous year Rs. 2) Prior to extra ordinary items Basic/Diluted	<b>0.25</b>	0.10
	After extra ordinary items Basic/Diluted	<b>0.19</b>	0.10

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

**LUV MALHOTRA**  
Joint Managing Director

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

**Gulshan Rai**  
Partner  
Membership No. 3921

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

**G.J. VARADARAJAN**  
Company Secretary

Place: New Delhi  
Date : 27th May, 2016

**CHL LIMITED****Cash Flow Statement for the year ended****Lac Rs.**

	31st March, 2016	31st March, 2015
<b>A) Cash Flow From Operating Activities</b>		
<b>Net Profit before Tax &amp; Extraordinary Items</b>	<b>275.24</b>	<b>47.55</b>
Adjustments for		
Depreciation	211.97	412.17
Dividend Income	(0.30)	(0.01)
Loss on Sale of Assets	0.01	6.36
Loss on Exceptional Items - trading	(32.10)	-
Scrapped/Discarded Assets written off	-	26.97
Profit / Loss on sale of Investment	(0.77)	-
Interest Expenditure	648.50	404.90
Interest Received	(84.62)	(156.05)
<b>Operating Profit before Working Capital Changes</b>	<b>1,017.93</b>	<b>741.89</b>
Adjustments for		
(Increase) Decrease in Inventories	6.43	26.68
Increase (Decrease) in Trade Payables & other liabilities	111.24	16.98
(Increase) Decrease in Trade & Other Receivables	21.08	(236.05)
(Increase) Decrease in Loans & Advances	(76.04)	60.91
<b>Cash generated from Operations</b>	<b>1,080.64</b>	<b>610.41</b>
Income Tax (Paid)/Refund	197.96	(99.88)
<b>Net Cash from Operating Activities (A)</b>	<b>1,278.60</b>	<b>510.53</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(484.30)	(280.04)
Sale of Fixed Assets	16.39	5.07
Purchase of Investment	0.11	-
Investment in subsidiary	(80.36)	(895.30)
Sale of Investments	-	-
Interest Received	84.62	156.05
Dividend Received	0.30	0.01
<b>Net Cash used in Investing Activities(B)</b>	<b>(463.24)</b>	<b>(1,014.21)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Capital	-	-
Interest Paid	(648.50)	(404.90)
Increase (Decrease) in Security Deposit	-	-
Dividend Paid	-	-
Dividend Tax Paid	-	-
Increase/(Decrease) in long term Borrowing	26.78	415.82
Increase/(Decrease) in Short term Borrowings	(1,369.18)	260.91
<b>Net Cash used in Financing Activities (C)</b>	<b>(1,990.90)</b>	<b>271.83</b>
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,175.54)</b>	<b>(231.85)</b>
<b>Cash &amp; Cash Equivalent ( Opening balance)</b>	<b>1,908.20</b>	<b>2,140.05</b>
<b>Cash &amp; Cash Equivalent (Closing balance)</b>	<b>732.66</b>	<b>1,908.20</b>

As per our report of even date attached

For and on behalf of the Board of Directors

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

Joint Managing Director

**L.K. MALHOTRA**

Chairman &amp; Managing Director

**Gulshan Rai**Partner  
Membership No. 3921**N.K. GOEL**

Vice President Finance &amp; CFO

**G.J. VARADARAJAN**

Company Secretary

Place: New Delhi

Date : 27th May, 2016



## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2016

#### A) BASIS OF ACCOUNTING

- i. Financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act, 2013 (Act) and comply with the mandatory accounting standards, prescribed by the Central Government (except where otherwise stated hereinafter)
- 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 on 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. Any revision to accounting estimates is recognized prospectively in current and future period.

#### 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, cost of material used and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date.
2. Expenses on complete renovation / rebuilding of an existing asset resulting in substantial increase in useful life, are capitalized on completion of renovation/restoration work. Residual value of the original asset, renovated or rebuilt is reduced from the cost, if material.
3. Cost of asset(s) replaced but still usable is not reduced from the cost of the asset(s) till it is sold / discarded. If the cost of the asset(s), discarded / sold is not ascertainable, cost of replacement of such asset(s), (discounted as per "indexed cost formula" prescribed under Income Tax Act, 1961) is taken as the cost of such asset(s) for the purpose of deduction from the cost.
4. Depreciation on tangible assets is provided on straight-line method over the useful life of assets in the manner and at the rate specified in Part C of Schedule II of Companies Act, 2013 from the date the Schedule II came into effect.

#### C) INTANGIBLE ASSETS

Accounting treatment of intangible assets is in accordance with AS-26. Intangible Assets are depreciated on straight line method over the useful life thereof, which is taken as six years.

#### D) IMPAIRMENT OF ASSETS

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

#### E) ASSETS ON LEASE

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

#### F) BORROWING COST

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

#### G) FOREIGN CURRENCY TRANSACTION

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

**H) INVESTMENTS**

Long term investments are carried at cost.

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

**I) INVENTORIES**

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

ii. Linen, Glassware, Chinaware etc.; Items issued to rooms and outlets are treated as replacement of old/worn out items and charged to Profit & Loss Account and items in use at the close of the year are included in inventories.

**J) RETIREMENT AND OTHER EMPLOYEES BENEFITS**

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

i. Defined Contribution Plan

a) Contributions payable by the company to the concern Government Authorities in respect to Provident Fund, Family Pension Fund and Employees State Insurance are charged to the Profit and Loss Account on accrual basis.

b) Gratuity liability as on the Balance Sheet date is determined by the insurance company with whom the company has taken a group gratuity policy, on the basis of actuarial valuation using projected unit credit method and such liability has been provided in these accounts.

ii. Defined Benefit Plan

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

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

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

**K) RECOGNITION OF INCOME & EXPENDITURE**

i. Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations including net income from telecommunication on services. Revenue is recognized upon rendering of service and is stated net of discounts/allowances.

ii. Claims recoverable/payable are recognized to the extent admitted. Unclaimed credit balances and excess provision of expenditure are treated as revenue of the year in which such amounts cease to be Company's liability.

iii. Discarded assets (carpets etc.) are charged to the profit & loss account at written down value. Amount realized, if any, on sale of such items is treated as income. . Scrap value is recognized, if material.

**L) CONTINGENCY**

The Company creates a provision when there is present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will, requires an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**M) TAXATION**

Provision for current taxation is made in accordance with the applicable taxation laws.

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

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

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

Notes forming integral part of the financial statements

Lac Rs.

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March, 2016		31st March, 2015	
	Lac Shares		Lac Shares	
<b>NOTE-2 SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of Rs. 2/- each (Previous Year equity shares of Rs. 2/- each)	<u>1,500.00</u>	<u>3,000.00</u>	<u>1,500.00</u>	<u>3,000.00</u>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 2/- each (Previous Year equity shares of Rs. 2/- each)	548.18	1,096.37	548.18	1,096.37
		<u>1,096.37</u>		<u>1,096.37</u>
<b>A) Reconciliation of number of Equity shares outstanding</b>				
As at beginning of the year	548.18	1,096.37	548.18	1,096.37
As at end of the year	548.18	1,096.37	548.18	1,096.37
<b>B) Detail of shareholder holding more than 5 percent shares in the Company.</b>				
Name of Shareholder	As At 31st March, 2016		As At 31st March, 2015	
	Lac No. of		Lac No. of	
	Shares	Percentage	Shares	Percentage
Malbros Investments Inc	322.88	58.90%	322.88	58.90%
<b>C) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding 31st March 2016</b>				
NIL				
<b>D) Rights, preferences and restrictions attached to the Equity Shares</b>				
The company has one class of Equity Shares having a par value of Rs. 2/- each (Previous year par value of Rs. 2/- each). Each shareholder is eligible for one vote per share held.				

**CHL LIMITED****Lac Rs.**

	Figures as at the end of current reporting period ending	Figures as at the end of previous reporting period ending
	31st March, 2016	31st March, 2015
<b>3. RESERVES &amp; SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
As per last Balance Sheet	0.94	0.94
<b>CAPITAL REDEMPTION RESERVE</b>		
As per last Balance Sheet	110.00	110.00
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	3,020.00	3,020.00
Add Transferred from Profit & Loss Account	-	-
Add Depreciation on fixed assets whose useful life is defined under Schedule II of Companis Act, 2013	194.01	-
	3,214.01	3,020.00
<b>PROFIT &amp; LOSS ACCOUNT</b>		
As per last Balance Sheet	4,696.28	4,639.11
Add Transferred from Profit & Loss Account	104.65	57.17
	4,800.93	4,696.28
<b>Less : APPROPRIATIONS</b>		
Transferred to General Reserve	-	-
Proposed & Interim Dividend	-	-
Income Tax on Interim & Proposed Dividend	-	-
<b>Balance carried over</b>	4,800.93	4,696.28
	8,125.88	7,827.22
<b>4. LONG TERM BORROWINGS</b>		
(a) Term Loan from Banks		
Andhra Bank*	1,028.17	1,184.57
Bank of Baroda ECB Term Loan**	3,316.64	3,129.54
(b) Long Term Finance Lease Obligations***	95.68	99.60
	4,440.49	4,413.71

\*include Rs. 1028.17 lacs repayable in 84 monthly installment from 17-08- 2014 and carry interest at 12.00% pa and are secured by pari passu charge over entire fixed assets and exclusive charge on current assets.

\*\*Foreign Currency Loan (ECB) of US\$ 5 Million is repayable in 10 equal half yearly installments starting from 25-08-2016 and carry interest at LIOBR + 3.50% pa. The loan is secured by first pari passu charge over fixed assets.

\*\*\*These are secured by Hypothecation of vehicles taken under lease. The loans are repayable in equated monthly installments within five years period from the date of respective loan. The Finance Lease obligation includes amount financed by an NBFC for purchase of computers.

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March, 2016		31st March, 2015	
<b>5. DEFERRED TAX LIABILITIES</b>				
<b>(i) Deferred Tax Liability</b>				
Depreciation on Fixed Assets	563.21		421.51	
Total (i)	563.21		421.51	
<b>(ii) Deferred Tax Asset</b>				
Disallowance u/s 43 (B) of Income Tax	(19.08)		(5.50)	
Total (ii)	(19.08)		(5.50)	
<b>Net Deferred Tax Liabilities (i-ii)</b>	544.13	544.13	416.01	416.01
<b>6. OTHER LONG TERM LIABILITIES</b>				
a) Security Deposits	252.02		261.62	
b) Others	39.53	291.55	42.64	304.26
<b>7. LONG TERM PROVISIONS</b>				
- Provision for leave Benefit	55.16		54.10	
- Provision for Gratuity	-	55.16	24.80	78.90
<b>8. SHORT TERM BORROWINGS</b>				
- Overdraft against Fixed Deposit with banks	624.45		1,763.63	
- Intercompany Deposit	-	624.45	230.00	1,993.63
<b>9. TRADE PAYABLE</b>				
- Sundry Creditors	632.89	632.89	638.83	638.83
<b>10. OTHER CURRENT LIABILITIES</b>				
- Advances from Customers	69.22		51.84	
- Unpaid Dividends	12.99		18.93	
- Statutory Liabilities	308.82		250.36	
- Other Liabilities	108.38	499.41	75.38	396.51
<b>11. SHORT TERM PROVISIONS</b>				
i) Proposed Dividend	-		-	
ii) Income Tax on Proposed Dividend	-		-	
iii) Provision for Staff Leave Benefit	18.52		17.21	
iv) Interest Accrued but not due	13.32		9.65	
v) Provision for Gratuity	9.30	41.14	-	26.86



**Lac Rs.**

**NOTE 12-FIXED ASSETS**

PARTICULARS	GROSS			BLOCK		DEPRECIATION				NET BLOCK	
	As on 01.04.2015	Additions during the year	Sales/ Transfer	As on 31.03.2016	As on 01.04.2015	During the year	Adjustment to Depreciations as per Companies Act	Adjustment/ Transfer	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
Land (Leasehold)	599.31	-	-	599.31	-	-	-	-	-	599.31	599.31
Land (Freehold)	116.04	-	-	116.04	-	-	-	-	-	116.04	116.04
Land & Building (Noida)	240.48	15.00	-	255.48	-	-	-	-	-	255.48	240.48
Building	3,570.37	613.02	-	4,183.39	808.05	59.14	0.38	-	866.81	3,316.58	2,762.32
Plant & Machinery	3,671.21	79.73	-	3,750.94	2,650.66	56.86	87.77	-	2,619.75	1,131.19	1,020.55
Plant & Machinery (Noida)	90.90	-	-	90.90	-	-	-	-	-	90.90	90.90
Furniture, Fixture and Fitting	1914.71	1.97	-	916.68	754.65	28.85	81.77	-	701.73	214.95	160.06
Office & Other Equipments	66.06	0.68	-	66.74	37.15	11.35	(3.29)	-	51.79	14.95	28.91
Computers	136.98	41.67	-	178.65	115.25	8.88	6.84	-	117.29	61.36	21.73
Vehicles	620.97	47.47	138.61	529.83	372.26	46.89	20.54	122.29	276.32	253.51	248.71
TOTAL - Current Year	10,027.03	799.54	138.61	10,687.96	4,738.02	211.97	194.01	122.29	4,633.69	6,054.27	5,289.01
Capital Work in Progress	-	-	-	-	-	-	-	-	-	38.14	319.10
<b>Total</b>	<b>10,027.03</b>	<b>799.54</b>	<b>138.61</b>	<b>10,687.96</b>	<b>4,738.02</b>	<b>211.97</b>	<b>194.02</b>	<b>122.29</b>	<b>4,633.69</b>	<b>6,092.41</b>	<b>5,608.11</b>
Previous Year	10,302.40	61.38	336.75	10,027.03	4,624.20	411.33	-	298.35	4,737.18		

	As at 31-03-2016 No of Units	31-03-2015 No of Units	As at 31-03-2016 Lac Rs	31-03-2015 Lac Rs
<b>13. LONG TERM INVESTMENTS</b>				
<b>In Equity Shares - Others (Quoted &amp; Fully Paid)</b>				
Advani Hotels & Resorts (India) Ltd. Of Rs.2/- each	500	500	0.01	0.01
Asian Hotel (East) Ltd. Of Rs.10/- each	25	25	0.01	0.01
Asian Hotel (North) Ltd. Of Rs.10/- each	25	25	0.01	0.01
Asian Hotel (West) Ltd. Of Rs.10/- each	25	25	0.01	0.01
EIH Associate Hotels Ltd. Of Rs.10/- each	50	50	0.01	0.01
EIH Ltd. Of Rs.2/- each	75	75	0.02	0.02
Essar Steel Ltd of Rs. 10/- each	50,000	50,000	21.63	21.63
Hotel Leela Venture Ltd. Of Rs.2/- each	250	250	-	-
Indian Hotel Ltd. Of Rs.1/- each	100	100	0.02	0.02
ITC Ltd. Of Rs.1/- each	30	30	0.01	0.01
Jaiprakash Associates Ltd.of Rs. 2/- each	15	15	0.01	0.01
Morepen Laboratories Ltd. of Rs. 2/- each	-	5,000	-	0.75
Penta Media Graphics Ltd. of Rs. 1/- each	1,00,000	1,00,000	1.00	1.00
Reliance Power Ltd. Of Rs.10/-each	28,800	28,800	62.77	62.77
Royal Manor Hotels & Industries Ltd. Of Rs.10/- each	100	100	-	-
Sayaji Hotel Ltd. Of Rs.10/- each	100	100	-	-
HB state Developers Ltd of Rs. 10/-each	2,59,984	2,59,984	150.67	150.67
Taj GVK Hotels & Resorts Ltd of Rs.2/- each	10	10	0.03	0.03
			<b>236.21</b>	<b>236.96</b>
<b>In Equity Shares - Others (Unquoted &amp; Fully Paid)</b>				
Bharat Hotel Ltd. Of Rs.10/- each	150	150	0.01	0.01
KMAHP Pvt Ltd. Of Rs.10 each	100	100	0.01	0.01
Jagriti Hydro Power Pvt Ltd Of Rs.10/- each	1,000	1,000	0.10	0.10
Makkan Hydropower Pvt Ltd Of Rs. 10/- each	3,000	3,000	0.30	0.30
VRV Food Hospitality Pvt Ltd	1,100	-	0.11	-
			<b>0.53</b>	<b>0.42</b>
<b>In Equity Shares (Unquoted) - In Subsidiary</b>				
CHL International of Somoni 100 each	5,23,800	5,23,800	7,019.47	6,043.06
Share Application Money			-	895.30
			<b>7,019.47</b>	<b>6,938.36</b>
<b>In Equity Shares (Unquoted, Fully Paid up) Associate Companies</b>				
CHL (South) Hotels Ltd of Rs.10/- each	1,00,000	1,00,000	10.00	10.00
			<b>10.00</b>	<b>10.00</b>
<b>In Mutual Funds (Unquoted, Fully Paid)</b>				
Osian Art Fund	1,00,000	1,00,000	10.00	10.00
			<b>10.00</b>	<b>10.00</b>
TOTAL			<b>7,276.21</b>	<b>7,195.74</b>
AGGREGATE VALUE OF Quoted Investments	Book Value 236.21		Market Value 34.79	Market Value 64.98



# CHL LIMITED

Lac Rs.

	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015	
<b>14. LONG TERM LOANS &amp; ADVANCES</b>				
<b>Unsecured, considered good</b>				
- Capital Advances	19.62		19.62	
- Other advances	92.82		342.81	
- Interst Recoverable	-		0.08	
- Security Deposit	53.70		53.90	
<b>Other Loan &amp; advances</b>				
- MAT Credit Entitlement	54.75		9.06	
- Income Tax Refundable	658.00	878.89	529.46	954.93
<b>15. OTHER NON CURRENT ASSETS</b>				
<b>Unsecured, considered good</b>				
- Long Term Trade Receivable	32.86	32.86	-	-
<b>16. INVENTORIES</b>				
<b>(at cost or realisation value whichever is lower and as certified by the Management)</b>				
i) Chinaware, Glassware, Silverware, Linen etc	158.02		152.26	
ii) Kitchen Accessories	157.46		140.74	
iii) Provision, Food, Beverages etc.	70.56		75.03	
iv) General Stores and Spares	80.27	466.31	91.85	459.88
<b>17. TRADE RECEIVABLES</b>				
<b>(Unsecured considered Good)</b>				
i) Outstanding for over Six Months	2.16		6.20	
ii) Others	403.92	406.08	420.96	427.16
<b>18. CASH AND BANK BALANCES</b>				
<b>Cash &amp; Cash Equivalents</b>				
i) Cash on Hand	18.99		12.68	
ii) Cheques/drafts in Hand	-		-	
iii) In current accounts	19.78		18.84	
<b>Other Bank Balances</b>				
iv) In Unpaid Dividend Account	12.99		18.94	
v) Scheduled Banks-Fixed Deposits maturing within 12 months of reporting date.	680.90	732.66	1,857.74	1,908.20
<b>19. SHORT TERM LOANS &amp; ADVANCES</b>				
<b>(Unsecured-considered good)</b>				
Advances recoverable in cash or kind or for value to be received considered good				
- Other advances	5.54		6.51	
- Advances to Suppliers	48.41		26.54	
- Prepaid Expenses	86.90		98.52	
- Income Tax Recoverable	70.44		127.78	
- Subsidiary Company	107.78	319.07	173.54	432.89
<b>20. OTHER CURRENT ASSETS</b>				
i) Interest accrued on Fixed Deposits/icd	7.37		19.25	
ii) Ancillary cost of term loan	139.61	146.98	186.14	205.39
		2,071.10		3,433.52



	Lac Rs.	
	Figures for the current reporting period 31st March, 2016	Figures for the previous reporting period 31st March, 2015
<b>21. REVENUE FROM OPERATIONS</b>		
<b>Sale of Product</b>		
Wine & Liquor	295.62	267.33
Food, Beverage & Smokes	1,673.18	1,707.34
	1,968.80	1,974.67
Less Excise Duty	6.01	5.03
	1,962.79	1,969.64
<b>Sale of Services</b>		
Rooms	2,819.18	2,642.61
Licence Fee	796.79	761.67
Communications	18.72	24.67
Other Operating Revenues	192.32	177.03
Banquet Misc. Services	47.49	64.81
	3,874.50	3,670.79
	5,837.29	5,640.43
<b>22. OTHER INCOME</b>		
Interest earned	84.62	156.05
Dividend Income-Long Term Investments	0.30	0.01
Foreign Currency transaction gain/(loss)	25.30	24.20
Scrap Income	9.89	11.33
Excess Provision & Other Income	31.45	20.52
Profit on Sale of Investment	0.77	-
Bad Debt Recovered	76.54	-
	228.87	212.11
<b>23. CONSUMPTION OF PROVISIONS, WINES &amp; SMOKES</b>		
<b>A. Provisions, Beverages &amp; Smokes</b>		
Opening Stock	22.79	29.70
Add: Purchases	609.88	642.70
	632.67	672.40
Less : Closing stock	21.42	22.79
	611.25	649.61
<b>B. Wine &amp; Liquor</b>		
Opening Stock	52.23	69.59
Add: Purchases	98.74	89.11
	150.97	158.70
Less : Closing Stock	49.14	52.23
	101.83	106.47
	713.08	756.08
<b>24. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Stipend & Bonus	1,417.91	1,428.46
Contribution to Provident, Gratuity & Other Funds	121.11	141.63
Employees Welfare Expenses	134.18	135.10
Recruitment & Training Expenses	1.59	0.94
	1,674.79	1,706.13



30. Contingent liabilities not provided for in respect of

Lac Rs.

	2015-2016	2014-2015
i) Demands / Claims not acknowledged as debt or which are under litigation	20.00	NIL
ii) Bank Guarantees furnished	NIL	NIL
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	Rs. 366.57	Rs. 306.03
iv) Corporate Guarantee <sup>i</sup> (million Dollar)	US\$32.50	US\$32.50

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

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

32. The Fixed Deposits are pledged with:

- i) Statutory Authorities - Rs.0.90 lacs (Rs. 0.90 lacs); and
- ii) Against overdraft facilities – Rs. 680.00 lacs (Rs. 1856.84 lacs).

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

34. Lease rental on NSEZ Noida land has been partly paid. No Lease rental has been provided in financial statement in respect of Jaipur Land in the absence of any claim from the concerned authority.

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

In respect of the Company Rs. 30.00 Lacs (previous year Rs. 50.00 lacs)

36. Debts due to or by the company, are generally unconfirmed by the parties and/or under reconciliation. In the opinion of the management the impact of adjustment on reconciliation is not likely to be significant.

37. 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.

38. 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.

39. 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>Assumptions :</b>	2015-16	2014-15
Discount Rate	8.06%	8.00%
Rate of increase in Compensation levels	6.00%	6.00%
Superannuation age	58 yrs	58 yrs
Mortality	NA	NA

**Table Showing Change in The Present Value of Projected Benefit Obligation :**

Projected Benefit Obligations (PBO) at the beginning of the year	71.31	65.19
Interest Cost	5.70	5.22
Service Cost	6.42	8.23
Benefits paid	(12.14)	(10.84)
Actuarial (gain) loss on obligations	2.39	3.51
PBO at the end of the year	73.68	71.31



<b><u>Tables showing Changes in the Fair value of Plan Assets</u></b>	<b>2015-16</b>	<b>2014-15</b>
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	-	-
Benefits paid	-	-
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets At the end of the year	-	-

**Acturial (Gain)/Losses Recognised in the Statement of Profit or Loss for current year**

Acturial (Gain)/Losses on Obligation for the period	<b>2.39</b>	3.51
Acturial (Gain)/Losses on Plan Asset For the Period	-	-
Sub Total	<b>2.39</b>	3.51
Acturial (Gains)/Losses Recognised in the Statement of Profit or Loss	<b>2.39</b>	3.51

**Actual Return on Plan Assets**

Expected Return of Plan Assets	-	-
Acturial Gains/(Losses) on Plan Assets - Due to Experience	-	-
Actual Return on Plan Assets	-	-

**Amount Recognised in the Balance Sheet**

(Present Value of Benefit Obligation at the end of the Period)	<b>(73.68)</b>	(71.31)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/(Deficit))	<b>(73.68)</b>	(71.31)
Unrecognised Past Service Cost at the end of the Period	-	-
Net(Liability)/Asset Recognised in the Balance Sheet	<b>(73.68)</b>	(71.13)

**Net Interest Cost for the Current Period**

Present Value of Benefit Obligation at the end of the Period	<b>71.31</b>	65.19
(Fair Value of Plan Assets at the end of the Period)	-	-
Net Liability/(Asset) at the Beginning	<b>71.31</b>	65.19
Interest Cost	<b>5.70</b>	5.22
(Expected Return on Plan Assets)	-	-
Net Interest Cost for Current Period	<b>5.70</b>	5.22

**Expenses Recognised in the Statement of Profit or Loss for Current Period**

Current Service Cost	<b>6.42</b>	8.23
Net Interest Cost	<b>5.70</b>	5.22
Acturial (Gains)/Losses	<b>2.39</b>	3.51
Past Service Cost - Non Vested Benefit Recognised During the Period	-	-
Past Service Cost - Vested Benefit Recognised During the Period	-	-
(Expected Contribution by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Changes in Asset Ceiling	-	-
Expenses Recognised in the Statement of Profit or Loss	<b>14.51</b>	16.96

### **Balance Sheet Reconciliation**

	2015-16	2014-15
Opening Net Liability	71.31	65.19
Expenses Recognised in Statement of Profit or Loss	14.51	16.96
Net Liability/(Asset) Transfer in	-	-
Net (Liability)/Asset Transfer out	-	-
(Benefit Paid Directly by the Employer)	(12.14)	(10.84)
(Employers Contribution)	-	-
Net Liability/(Asset) Recognised in the Balance Sheet	73.68	71.31

### **Other Details**

No of Active Members	430.00	442
Per Month Salary For Active Members	85.05	83.36
Projected Benefit Obligation	73.68	71.31

### **Experience Adjustment**

Acturial (Gains)/Losses on Obligation - Due to Experience	2.76	3.51
Acturial Gains/(Losses on obligation - Due to Experience	-	-

40. AS-17 on Segment Reporting is not applicable as the company is engaged only in hotel business and at one location.
41. Contribution to Political party: NIL (Previous Year NIL)
42. Related party transactions

	Subsidiary Company	CHL International			
	Key Management Personnel	Dr. L.K.Malhotra	Managing Director		
		Mr. Luv Malhotra	Joint Managing Director		
		Mr. Gagan Malhotra	Executive Director		
		Mr. N.K.Goel	Vice President Finance & CFO		
		Mr. G.J.Varadarajan	Company Secretary		
	Entities controlled by Directors or their relatives	Kyjol Projects Pvt Ltd.			
		Mela Hotels Limited			
		Sankalp Portfolio Investments Pvt Ltd.			
		Malbros Holdings Pvt Ltd			
		Ultima Leasing & Financing			
Sr. No	Name of Party	Nature of Transaction	Transaction value	Bal. as on 31.3.2016	Bal. as on 31.3.2015
a)	Malbros Holdings Pvt Ltd	Inter corporate Deposit	150.00	NIL	230.00
		Lease Financing	20.00	16.61	NIL
b)	CHL International	- Investment	81.11	7019.47	6938.36
		- Advances	(65.76)	107.78	173.54



## Managerial Remuneration to Directors

Particulars	2015-16	2014-15
Salary & Allowances	168.00	168.00
Contribution to P.F.	11.52	11.52
Other benefit/perquisites	3.00	2.80
Sitting Fee to other Directors	9.80	8.40

## 43. Details of Consumption &amp; Purchase

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

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

a) Food & Beverage	Nil	Nil
b) Wine & Liquor – through canalizing agencies.	28.23	24.03
c) Components, spare parts and stores	1.03	13.37
d) Capital Goods	81.90	140.89

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

i. Technical Services	Nil	17.91
ii. Others	191.01	162.63

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

On account of hotel services	1628.31	1446.46
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D. **Remittance in Foreign Currency on account of Dividend to non resident shareholders**

Nil (Previous years Nil)

## 44. Amount transferred to Investor Education and Protection Fund as required under section 205 C of the Companies Act 1956- Rs.1.58 lacs (Previous Year Rs. 1.70 lacs)

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

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

a. **Registration Details**

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2016

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	16351.47
Total Assets	16351.47

**SOURCE OF FUNDS**

Paid-up Capital	1096.37
Reserve & Surplus	8125.88
Non- Current Liabilities	4787.20

Current Liabilities	1797.89
Deferred Tax (Net)	544.13
<b>APPLICAION OF FUNDS</b>	
Net Fixed Assets	6092.41
Non Current Investments	7276.21
Long Term Loans & Advances	878.89
Other Non Current Assets	32.86
Current Assets	2071.10
<b>d. Performance of the Company</b>	
Turnover	6066.17
Total Expenditure	5790.93
Profit / (Loss) before Tax	243.14
Profit / (Loss) after Tax	104.65
Earnings per share	0.25
Dividend Rate (%)	NIL
<b>e. Generic names of three Principal products/ services of the Company (as per monetary terms)</b>	
Items Code (ITC Code)	NA
Product Description	Hotel Business

As per our report of even date attached

For and on behalf of the Board of Directors

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

**LUV MALHOTRA**  
Joint Managing Director

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

**Gulshan Rai**  
Partner  
Membership No. 3921

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

**G.J. VARADARAJAN**  
Company Secretary

Place: New Delhi  
Date : 27th May, 2016



## INDEPENDENT AUDITOR'S REPORT

### To the Members of CHL INTERNATIONAL

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CHL International (the Company), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Cash flow of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation & presentation of the financial statements that's give a true & fair view & are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting & auditing standards & the matters which are required to be included in the audit report under the provisions of the Act & the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified u/s. 143 sub section 10 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial controls relevant to the Company's preparation of the financial statements that gave a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016
- In the case of Statement of the Profit and Loss, of the loss of the Company for the year ended on that date; and
- In the case of the Cash flow Statement of the cash flows for the year ended on that date.

#### Report on Other legal and Regulatory Requirements

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

- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- the Balance Sheet, statement of Profit and Loss and the cash flow statements dealt with by this report are in agreement with the books of accounts.
- in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

**L.N. MALIK**  
**Partner**  
**M.No. 010423**

Place: New Delhi  
Date : 27th May, 2016





# CHL INTERNATIONAL

## BALANCE SHEET AS AT MARCH 31, 2016

Lac Rs.

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2	11,441.68		11,295.70	
(b) Reserve & Surplus	3	(2,360.25)	9,081.43	110.31	11,406.01
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	21,612.47	21,612.47	18,784.61	18,784.61
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	5	825.56		805.06	
(b) Trade Payable	6	407.89		302.48	
(c ) Other Current Liabilities	7	753.15		724.96	
(d) Short Term Provisions	8	-	1,986.60	-	1,832.50
	<b>TOTAL</b>		<b>32,680.50</b>		<b>32,023.12</b>
<b>II ASSETS</b>					
<b>Non Current Assets</b>					
<b>(1) (a) Fixed Assets</b>					
(i) Tangible Assets	9	28,059.09		93.04	
(ii) Capital; Work in Progress	10	-		29,360.98	
		28,059.09		29,454.02	
(b) Non-current Investments	11	0.25		0.32	
(c ) Long Term Loans & Advances	12	769.01	28,828.35	1,104.92	30,559.26
<b>(2) Current Assets</b>					
(a) Inventories	13	393.28		705.61	
(b) Trade Receivables	14	125.34		24.67	
(c ) Cash & Cash equivalents	15	145.97		689.05	
(d) Short Term Loans & Advances	16	125.76		44.45	
(e) Other Current Assets	17	-	790.35	0.08	1,463.86
<b>(3) Foreign Currency Translation Reserve</b>			<b>3,061.80</b>		<b>-</b>
	<b>TOTAL</b>		<b>32,680.50</b>		<b>32,023.12</b>

Notes forming integral part of the financial statements No 1 to 35

As per our report of even date attached

For and on behalf of the Board of Directors

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

**GAGAN MALHOTRA**  
Deputy Chief Executive Officer

**L.K. MALHOTRA**  
Chief Executive Officer

**(L.N. Malik)**  
Partner  
Membership No. 10423

**N.K. GOEL**  
Chief Financial Officer

Place: New Delhi  
Date : 27th May, 2016



## CHL INTERNATIONAL

### STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

Lac Rs.

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March, 2016	Figures as at the end of previous reporting period ending 31st March, 2015
I Revenue from Operations	18	1,529.50	216.73
II Other Income	19	6.74	8.13
III Total Revenue		<u>1,536.24</u>	<u>224.86</u>
IV Expenses			
a) Cost of Material Consumed	20	518.39	41.10
b) Employee benefit expense	21	357.32	291.66
c) Finance Cost	22	943.23	1.35
d) Operational Expenses	23	962.30	198.56
e) Depreciation and amortisation expense		1,206.47	-
Total Expenses		<u>3,987.71</u>	<u>532.67</u>
V Profit before Exceptional and extraordinary items and tax (III - IV)		(2,451.47)	(307.81)
VI Exceptional items/ Extraordinary items		(2.88)	-
VII Profit before Tax (V - VI)		(2,454.35)	(307.81)
VIII Tax Expenses		-	-
IX Profit (Loss) for the period (VII - VIII)		(2,454.35)	(307.81)
X Earnings Per Share		-	-
Basic/Diluted earnings per share		-	-
Face value per share		-	-

Notes forming part of the financial statements No 1 to 35

As per our report of even date attached

For and on behalf of the Board of Directors

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

**GAGAN MALHOTRA**  
Deputy Chief Executive Officer

**L.K. MALHOTRA**  
Chief Executive Officer

**(L.N. Malik)**  
Partner  
Membership No. 10423

**N.K. GOEL**  
Chief Financial Officer

Place: New Delhi  
Date : 27th May, 2016



# CHL INTERNATIONAL

Cash Flow Statement for the year ended		Lac Rs.
	2015-2016	2014-2015
<b>A) Cash Flow From Operating Activities</b>		
Profit before tax & extraordinary items	(2,451.47)	(307.81)
Adjustments for		
Extraordinary items	-	(2.88)
Depreciation	1,206.47	-
Loss on sale of Asset	-	-
Foreign exchange fluctuation	(3,078.01)	(49.87)
Interest Expenditure	943.23	1.35
Interest Income	(3.34)	(0.58)
<b>Operating profit before working capital change</b>	<b>(3,386.00)</b>	<b>(356.91)</b>
(Increase) Decrease in Inventories	312.33	(651.66)
(Increase) Decrease in Trade Receivables	(100.67)	(24.67)
Increase (Decrease) in Trade Payables & Provisions	133.60	269.37
(Increase) Decrease in Loans & Advances	254.68	(344.27)
<b>Cash generated from Operations</b>	<b>(2,786.06)</b>	<b>(1,108.14)</b>
<b>Tax Refundable</b>	<b>188.46</b>	<b>-</b>
<b>Net Cash from Operating Activities (A)</b>	<b>(2,597.60)</b>	<b>(1,108.14)</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/CWIP	-	(6,514.10)
Adjustment of CWIP	-	-
Sale of Fixed Asset	-	-
Capital employed	-	-
Interest Income	3.34	0.58
Purchase / Refund of Investment/ deposits	0.07	0.06
<b>Net Cash used in Investing Activities (B)</b>	<b>3.41</b>	<b>(6,513.46)</b>
<b>C) Cash Flow from Financing Activities</b>		
Term Loan Raised & Short term borrowings	2,848.36	4,571.24
Increase in Share Capital	145.98	2,662.75
Interest Paid	(943.23)	(1.35)
<b>Net Cash From Financing Activities (C)</b>	<b>2,051.11</b>	<b>7,232.64</b>
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>	<b>(543.08)</b>	<b>(388.96)</b>
<b>Cash &amp; Cash Equivalent (Opening Balance)</b>	<b>689.05</b>	<b>1,078.01</b>
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<b>145.97</b>	<b>689.05</b>

## Note :

- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard (AS-3) and is based on the Balance Sheet as at 31st March 2016 and the related Profit & Loss Account for the year ended on that date.
- Previous year figures has been regrouped and rearranged wherever necessary in order to confirm to this year's presentation.

As per our report of even date attached

For and on behalf of the Board of Directors

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

**GAGAN MALHOTRA**  
Deputy Chief Executive Officer

**L.K. MALHOTRA**  
Chief Executive Officer

**(L.N. Malik)**  
Partner  
Membership No. 10423

**N.K. GOEL**  
Chief Financial Officer

Place: New Delhi  
Date : 27th May, 2016



## Notes forming part of the financial statements

### I. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2016

#### 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 accounting standards as prescribed under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of Act (to the extent notified).
- 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, cost of material used and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date.
2. Expenses on complete renovation / rebuilding of an existing asset resulting in substantial increase in useful life, are capitalized on completion of renovation/restoration work. Residual value of the original asset, renovated or rebuilt is reduced from the cost, if material.
3. Cost of asset(s) replaced but still usable is not reduced from the cost of the asset(s) till it is sold / discarded. If the cost of the asset(s), discarded / sold is not ascertainable, cost of replacement of such asset(s), (discounted as per "indexed cost formula" prescribed under Income Tax Act, 1961) is taken as the cost of such asset(s) for the purpose of deduction from the cost.
4. Depreciation on tangible assets is provided on straight-line method over the useful life of assets in the manner and at the rate specified in Part C of Schedule II of Companies Act, 2013 from the date the Schedule II came into effect.

#### 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

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction and recorded into Indian rupee at year end exchange rates.

Monetary assets and liabilities denominated in foreign currencies as at balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognized in the statement of profit and Loss except that:

- a. Exchange difference pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.
- b. Exchange difference arising on a monetary item that, in substance, forms part of the company's net investments in a non-integral foreign operation are accumulated in a "Foreign Currency Translation Reserve" until the disposal of the net investment, at which time the accumulated amount is recognized as income or as expense.



# CHL INTERNATIONAL

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## **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 and other consumable assets 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.

## **I) TAXATION**

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely, the difference that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situations where unabsorbed depreciation and carry forward business loss exist, are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against when such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying value at each reporting date. Deferred tax assets and deferred tax liability have been offset when the company has a legally enforceable right to set off current tax assets against current tax liability and where the deferred tax assets and deferred tax liability relate to income taxes levied by the same taxation authority.



# CHL INTERNATIONAL

## Notes forming integral part of the financial statements

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March, 2016		31st March, 2015	
	No. of Shares	Lac Rs.	No. of Shares	Lac Rs.
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of Somoni 100/- each	7,48,290	8632.95	7,48,290	8632.95
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Somoni 100/- each	9,96,045	11441.68	748,290	8632.95
Add: Share Application Money pending Allotment		-		
		11441.68		2,662.75
				11295.70
<b>A) Reconciliation of number of Equity shares outstanding</b>				
As at beginning of the year	7,48,290	8632.95	7,48,290	8632.95
As at end of the year	9,96,045	11441.68	7,48,290	8632.95

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

Name of Shareholder	As At 31st March, 2016		As At 31st March, 2015	
	No. of Shares	Percentage	No. of Shares	Percentage
CHL Limited	604230	60.66%	523800	70.00%
Al-Zahem Malhotra General Trading Co. WLL	242415	24.34%	224490	30.00%
D V Malhotra	149400	15.00%	-	-

### C) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding 31st March 2016.

NIL

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

The company has one class of Equity Shares having at par value of Somoni 100. The Company is a Closed Joint Stock Company registered in Republic of Tajikistan.

## 3. RESERVES & SURPLUS

### PROFIT & LOSS ACCOUNT

As per last Balance Sheet	94.10		401.91	
Add Transferred from Profit & Loss Account	(2,454.35)	(2,360.25)	(307.81)	94.10

<b>FOREIGN EXCHANGE FLUCTUATION RESERVE</b>	-	16.21
	(2,360.25)	110.31

## 4. LONG TERM BORROWINGS

### SECURED LOANS

Term Loan from Export Import Bank of India	21,612.47	18,784.61
	21,612.47	18,784.61

### Notes :

- Term Loan is secured by first & exclusive charge over entire present & future Fixed Assets and current assets of the company and corporate guarantee by the holding company.
- Foreign Currency Term Loan from Export Import Bank of India is repayable in 38 quarterly installment after two year moratorium from the date of commercial operation i.e. from 2017-18 and carry interest of LIBOR (6months) plus 4.00% p.a.



# CHL INTERNATIONAL

Lac Rs.

Figures as at the end of  
current reporting period ending  
31st March, 2016

Figures as at the end of  
previous reporting period ending  
31st March, 2015

## 5. SHORT TERM BORROWINGS

- Overdraft by Bank	-		161.17	
- Inter corporate Desposits	825.56	825.56	643.89	805.06

## 6. TRADE PAYABLE

- Sundry Creditors	407.89	407.89	302.48	302.48
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## 7. OTHER CURRENT LIABILITIES

- Advance from Customers	-		1.71	-
- Statutory Liabilities	360.38		342.75	-
- Other Liabilities	392.77	753.15	380.50	724.96

## 8. SHORT TERM PROVISIONS

- Tax Provision	-	-	-	-
		1,986.60		1,832.50

## NOTE 9 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2015	Additions during the year	Sales/ Transfer	As on 31.03.2016	As on 01.04.2015	During the year	Adjust- ment/ Transfer	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
Site Development	-	361.76	-	361.76	-	4.29	-	4.29	357.47	-
Building	-	13,437.32	-	13,437.32	-	159.23	-	159.23	13,278.09	-
Plant & Machinery	46.79	6,352.92	-	6,399.71	6.81	182.34	-	189.15	6,210.56	39.98
Furniture, & Fixture	16.44	7,328.71	-	7,345.15	3.98	654.36	-	658.34	6,686.81	12.46
Office & Other Equipments	8.22	6.07	-	14.29	1.17	1.99	-	3.16	11.13	7.05
Computers	4.46	1,695.78	-	1,700.24	1.76	201.80	-	203.56	1,496.68	2.70
Vehicles	40.21	-	10.04	30.17	9.36	2.46	-	11.82	18.35	30.85
TOTAL	116.12	29,182.56	10.04	29,288.64	23.08	1,206.47	-	1,229.55	28,059.09	93.04



# CHL INTERNATIONAL

	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015		Lac Rs.
<b>10. CAPITAL WORK IN PROGRESS</b>					
- Capital work in Progress		-	16,175.04		
- Preoperative Expenses pending Capitalisation		-	13,185.94		29,360.98
<b>11. NON CURRENT ASSETS</b>					
<b>LONG TERM INVESTMENTS (AT COST)</b>					
Government Electricity Bond		0.25			0.32
<b>12. Long Term Loans &amp; Advances</b>					
<b>Unsecured, considered good</b>					
- Security Deposit		-	-		
- Capital Advances		-	122.15		
- Taxes Recoverable	769.01	769.01	982.77		1,104.92
		<b>769.26</b>			<b>30,466.22</b>
<b>13. INVENTORIES</b>					
(at cost or realisation value whichever is lower and as certified by the Management)					
- Kitchen Accessories	170.11		200.56		
- Provision, Food, Beverage etc.	43.80		56.37		
- General Store & Project Spares	179.37	393.28	448.68		705.61
<b>14. TRADE RECEIVABLES</b>					
(Unsecured considered Good)					
i) Outstanding for over six months					
ii) Others	125.34	125.34	24.67		24.67
<b>15. CASH AND BANK BALANCES</b>					
i) Cash & Cheques on Hand	12.10		6.85		
ii) Scheduled Banks					
a) In current Accounts - Projects	-		452.94		
a) In current Accounts - Operations	133.87	145.97	229.26		689.05
<b>16. SHORT TERM LOANS &amp; ADVANCES</b>					
(Unsecured-considered good)					
Advances recoverable in cash or kind or for value to be received considered good					
- Other advances	60.10		6.57		
- Prepaid Expenses	65.66	125.76	37.88		44.45
<b>17. OTHER CURRENT ASSETS</b>					
- Others		-			0.08
		<b>790.35</b>			<b>1,463.86</b>
<b>18. REVENUE FROM OPERATIONS</b>					
<b>Sale of Product</b>					
Food, Beverage & Smokes		521.86			100.79
<b>Sale of Services</b>					
Rooms	973.85		105.21		
Communications	-		2.81		
Other Operating Revenues	33.79	1,007.64	7.92		115.94
		<b>1,529.50</b>			<b>216.73</b>





# CHL INTERNATIONAL

	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015		Lac Rs.
<b>19. OTHER INCOME</b>					
Interest Earned	3.34		0.58		
Excess Provision & Other Income	3.40	6.74	7.55	8.13	
		<u>6.74</u>		<u>8.13</u>	
<b>20. CONSUMPTION OF PROVISIONS, WINES &amp; SMOKES</b>					
Provisions, Beverages, Smokes, Liquor & Wine		518.39		41.10	
<b>21. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>					
Salaries, Wages, Stipend & Bonus	148.78		224.61		
Employees Welfare Expenses	208.54		51.58		
Recruitment & Training Expenses	-	357.32	15.47	291.66	
<b>22. FINANCIAL EXPENSES</b>					
Bank & Financial Charges	943.23	943.23	1.35	1.35	
<b>23. OPERATING AND GENERAL EXPENSES</b>					
Linen, Room Catering and other Supplies	23.39		1.96		
Power & Fuel	176.31		56.87		
Repairs : Machinery	0.12		8.08		
Building	96.43		0.06		
Others	2.53		3.13		
Rent, Rates & Taxes	136.58		0.11		
Insurance	35.46		11.61		
Telephone, Telex & Postage	88.89		10.64		
Operational Expenses	245.65		56.05		
Travelling & Conveyance	18.39		0.18		
Marketing, Reservation, Franchise & Technical Services	121.20		23.34		
Advertisement & Publicity & Selling Expenses	-		26.53		
Legal & Professional Charges	17.35	962.30	-	198.56	
		<u>2,781.24</u>		<u>532.67</u>	



## CHL INTERNATIONAL

### II. NOTES ON ACCOUNTS

24. The company is incorporated in and operates under the applicable laws of the Republic of Tajikistan.
25. The Company has setup a five star hotel "Sheraton Dushanbe". Dushanbe is the Capital of Republic of Tajikistan.
26. The company has entered into hotel operation agreement with M/s Starwood Hotel & Resorts to run the hotel under Brand "Sheraton Dushanbe". The hotel was not fully in operation due to non receipt of various operational licenses and approval from various statutory authorities as applicable under the law of Tajikistan till June 2015.
27. The company has started its hotel operation fully operational month of July 2015. Accordingly the fixed assets is capitalized with proportionate allocation of pre-operative expenses from 1st July 2015.

28. Basis of Preparation and Translation into Indian Rupees

- (i) These financial statements have been prepared for the purpose of compliance with the provisions of the Indian Companies Act, 2013 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.

29. Contingent liabilities not provided for in respect of

Lac Rs.

	2015-16	2014-15
i) Demands / Claims not acknowledged as debt or which are under litigation	80.00	Nil
ii) Bank Guarantees furnished	NIL	NIL
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	NIL	NIL

Estimated amount of contracts remaining to be executed on capital account, net of advances is NIL (Previous year Rs. 500.00 Lacs).

30. 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.

31. Segment information: The Company's business segment is Construction of hotel and commercial complex.

32. The balances with the banks in Dushanbe, loans and advances, creditors and operator are subject to confirmation.

33. 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.

34. 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) Against share allotment - Rs. 80.91 Lacs (Previous Year Rs. 895.30 Lacs)

b) Unsecured advance received - Rs. 107.78 lacs (Previous Year Rs. 173.52 lacs).

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

**GAGAN MALHOTRA**  
Deputy Chief Executive Officer

**L.K. MALHOTRA**  
Chief Executive Officer

**(L.N. Malik)**  
Partner  
Membership No. 10423

**N.K. GOEL**  
Chief Financial Officer

Place: New Delhi  
Date : 27th May, 2016

## **AUDITOR'S REPORT**

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

#### **Report on the Consolidated Financial Statements**

We have audited the attached consolidated financial statements of CHL Limited ("the Company"), which comprise the consolidated Balance Sheet as at March 31, 2016, the Statement of consolidated Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the report of the other auditor on the financial statements of the subsidiary as noted below, the consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit/loss and its cash flows for the year ended on that date.

#### **Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 32,680.50 lacs as at 31st March 2016, the total deficit of Rs. 2454.35 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditor whose report(s) have been furnished to us, and our opinion is based solely on the report of the other auditor.

**For G. Rai & Co.**  
**Chartered Accountants**  
**(Registration No.001479N)**

**Gulshan Rai**  
**Partner**  
**Membership No.3921**

Place : New Delhi  
Date : 27 May, 2016

**CHL LIMITED****CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016****Lac Rs.**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2	1,096.37		1,096.37	
(b) Minority Interest		4,422.21		4,357.34	
(c) Reserve & Surplus	3	5,765.63	11,284.21	7,937.53	13,391.24
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	26,052.96		23,198.32	
(b) Deferred Tax Liability (Net)	5	544.13		416.01	
(c) Other Long term Liabilities	6	291.55		304.26	
(d) Long Term Provisions	7	55.16	26,943.80	78.90	23,997.49
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	8	1,450.01		2,798.69	
(b) Trade Payable	9	1,040.78		941.31	
(c) Other Current Liabilities	10	1,144.78		947.93	
(d) Short Term provisions	11	41.14	3,676.71	26.86	4,714.79
<b>TOTAL</b>			<b>41,904.72</b>		<b>42,103.52</b>
<b>II ASSETS</b>					
<b>Non Current Assets</b>					
<b>(1) (a) Fixed Assets</b>					
(i) Tangible Assets	12	34,113.36		5,382.05	
(ii) Capital Work in Progress		38.14		29,680.08	
		34,151.50		35,062.13	
(b) Non-current Investments	13	256.99		257.70	
(c) Long Term Loans & Advances	14	1,647.90		2,059.85	
(d) Other Non Current Assets	15	32.86	36,089.25	-	37,379.68
<b>(2) Current Assets</b>					
(a) Inventories	16	859.59		1,165.49	
(b) Trade Receivables	17	531.42		451.83	
(c) Cash & Cash equivalents	18	878.63		2,597.25	
(d) Short Term Loans & Advances	19	337.05		303.80	
(e) Other Current Assets	20	146.98	2,753.67	205.47	4,723.84
<b>(3) Foreign Currency Translation Reserve</b>			3,061.80		-
<b>TOTAL</b>			<b>41,904.72</b>		<b>42,103.52</b>

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

Joint Managing Director

**L.K. MALHOTRA**

Chairman &amp; Managing Director

**Gulshan Rai**Partner  
Membership No. 3921**N.K. GOEL**

Vice President Finance &amp; CFO

**G.J. VARADARAJAN**

Company Secretary

Place: New Delhi

Date : 27th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016** **Lac Rs.**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March, 2016	Figures as at the end of previous reporting period ending 31st March, 2015
I a) Revenue from Operations	21	7,366.79	5,857.16
b) Other Income	22	235.61	220.24
Total Revenue		<b>7,602.40</b>	<b>6,077.40</b>
II Expenses			
a) Cost of Material Consumed	23	1,231.47	756.08
b) Employee benefit expense	24	2,032.11	1,997.79
c) Finance Cost	25	1,591.73	406.25
d) Operational Expenses	26	3,504.88	2,724.27
e) Depreciation and amortisation expense		1,418.44	412.17
Total Expenses		<b>9,778.63</b>	<b>6,296.56</b>
III Profit before tax, prior period and extraordinary items		<b>(2,176.23)</b>	<b>(219.16)</b>
IV Prior Period Adjustment of tax	27	<b>(2.88)</b>	11.98
V Extraordinary items	28	<b>(32.10)</b>	-
VI Profit before Tax (III - IV - V)		<b>(2,211.21)</b>	<b>(207.18)</b>
VII Tax Expenses	29		
a) Current Tax		<b>56.06</b>	10.25
b) Deferred Tax		<b>128.12</b>	1.17
c) Less MAT Credit Entitlement		<b>(45.69)</b>	(9.06)
VIII Profit (Loss) for the period (VI - VII)		<b>(2,349.70)</b>	<b>(209.54)</b>
IX Earnings Per Share (nominal value of share Rs. 2 (previous year Rs. 2)			
Prior to extra ordinary items			
Basic/Diluted		<b>0.25</b>	0.10
After extra ordinary items			
Basic/Diluted		<b>0.19</b>	0.10

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

**LUV MALHOTRA**  
Joint Managing Director

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

**Gulshan Rai**  
Partner  
Membership No. 3921

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

**G.J. VARADARAJAN**  
Company Secretary

Place: New Delhi  
Date : 27th May, 2016

**CHL LIMITED****CONSOLIDATED****Lac Rs.**

<b>Cash Flow Statement for the year ended</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>A) Cash Flow From Operating Activities</b>		
<b>Net Profit before Tax &amp; Extraordinary Items</b>	<b>(2,176.23)</b>	<b>(260.26)</b>
Adjustments for		
Extraordinary Items	<b>(34.98)</b>	-
Depreciation	<b>1,418.44</b>	412.17
Dividend Income	<b>(0.30)</b>	(0.01)
Exchange Reserve	<b>(3,078.01)</b>	(49.87)
Loss on Sale of Assets	<b>0.01</b>	6.36
Scrapped/Discarded Assets written off	-	26.97
Profit/(Loss) on Investment	<b>(0.77)</b>	-
Interest Expenditure	<b>1,591.73</b>	404.90
Interest Received	<b>(87.96)</b>	(156.05)
<b>Operating Profit before Working Capital Changes</b>	<b>(2,368.07)</b>	<b>384.21</b>
Adjustments for		
(Increase) Decrease in Inventories	<b>318.76</b>	(624.98)
(Increase) Decrease in Trade & Other Receivables	<b>(79.59)</b>	(260.72)
Increase (Decrease) in Trade & Other Payables	<b>244.84</b>	286.35
(Increase) Decrease in Loans & Advances	<b>178.64</b>	(283.36)
Cash generated from Operations	<b>(1,705.42)</b>	(498.50)
Income Tax (Paid)/Refund	<b>386.42</b>	(99.88)
<b>Net Cash from Operating Activities (A)</b>	<b>(1,319.00)</b>	<b>(598.38)</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/CWIP	<b>(484.30)</b>	(6,794.14)
Sale of Fixed Assets	<b>16.39</b>	5.07
Purchase of Investment	<b>0.18</b>	0.06
Investment of Minority Interest	-	(895.30)
Sale of Investments	-	-
Interest Received	<b>87.96</b>	156.05
Dividend Received	<b>0.30</b>	0.01
<b>Net Cash used in Investing Activities(B)</b>	<b>(379.47)</b>	<b>(7,528.25)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Capital	<b>65.62</b>	2,662.75
Interest Paid	<b>(1,591.73)</b>	(404.90)
Increase (Decrease) in Security Deposit	-	-
Increase/(Decrease) in long term Borrowing	<b>2,875.14</b>	4,987.06
Increase/(Decrease) in Short term Borrowings	<b>(1,369.18)</b>	260.91
<b>Net Cash used in Financing Activities (C)</b>	<b>(20.15)</b>	<b>7,505.82</b>
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,718.62)</b>	<b>(620.81)</b>
<b>Cash &amp; Cash Equivalent ( Opening balance)</b>	<b>2,597.25</b>	3,218.06
<b>Cash &amp; Cash Equivalent (Closing balance)</b>	<b>878.63</b>	<b>2,597.25</b>

As per our report of even date attached

For and on behalf of the Board of Directors

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

Joint Managing Director

**L.K. MALHOTRA**

Chairman &amp; Managing Director

**Gulshan Rai**Partner  
Membership No. 3921**N.K. GOEL**

Vice President Finance &amp; CFO

**G.J. VARADARAJAN**

Company Secretary

Place: New Delhi

Date : 27th May, 2016

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2016

#### A) BASIS OF ACCOUNTING

- i. Financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act, 2013 (Act) and comply with the mandatory accounting standards, prescribed by the Central Government (except where otherwise stated hereinafter)
- 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 on 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. Any revision to accounting estimates is recognized prospectively in current and future period.

#### 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, cost of material used and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date.
2. Expenses on complete renovation / rebuilding of an existing asset resulting in substantial increase in useful life, are capitalized on completion of renovation/restoration work. Residual value of the original asset, renovated or rebuilt is reduced from the cost, if material.
3. Cost of asset(s) replaced but still usable is not reduced from the cost of the asset(s) till it is sold / discarded. If the cost of the asset(s), discarded / sold is not ascertainable, cost of replacement of such asset(s), (discounted as per "indexed cost formula" prescribed under Income Tax Act, 1961) is taken as the cost of such asset(s) for the purpose of deduction from the cost.
4. Depreciation on tangible assets is provided on straight-line method over the useful life of assets in the manner and at the rate specified in Part C of Schedule II of Companies Act, 2013 from the date the Schedule II came into effect.

#### C) INTANGIBLE ASSETS

Accounting treatment of intangible assets is in accordance with AS-26. Intangible Assets are depreciated on straight line method over the useful life thereof, which is taken as six years.

#### D) IMPAIRMENT OF ASSETS

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

#### E) ASSETS ON LEASE

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

#### F) BORROWING COST

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

#### G) FOREIGN CURRENCY TRANSACTION

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



**H) INVESTMENTS**

Long term investments are carried at cost.

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

**I) INVENTORIES**

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

**J) RETIREMENT AND OTHER EMPLOYEES BENEFITS**

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

**i. Defined Contribution Plan**

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

**ii. Defined Benefit Plan**

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

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

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

**K) RECOGNITION OF INCOME & EXPENDITURE**

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

**L) CONTINGENCY**

The Company creates a provision when there is present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will, requires an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**M) TAXATION**

Provision for current taxation is made in accordance with the applicable taxation laws.

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

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

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



Notes forming integral part of the financial statements

	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015	
	Lac No. of shares	Lac Rs.	Lac No. of shares	Lac Rs.
<b>2. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of Rs. 2/- each				
(Previous Year shares of Rs. 2/- each)	1,500.00	3,000.00	1,500.00	3,000.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 2/- each				
(Previous Year shares of Rs. 2/- each)	548.18	1,096.37	548.18	1,096.37
		1,096.37		1,096.37
Subsidiary Company				
Minority Interest		4,422.21		2,589.89
Share Application Money		-		1,767.45
		4,422.21		4,357.34
<b>A) Reconciliation of number of Equity shares outstanding</b>				
As at beginning of the year	548.18	1,096.37	548.18	1,096.37
As at end of the year	548.18	1,096.37	548.18	1,096.37
<b>B) Detail of shareholder holding more than 5 percent shares in the Company</b>				
Name of Shareholder	As At 31st March 2016		As At 31st March 2015	
	Lac No. of Shares	Percentage	Lac No. of Shares	Percentage
Malbros Investments Inc	322.88	58.90%	322.88	58.90%
<b>C) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding 31st March, 2016</b>	NIL			
<b>D) Rights, preferences and restrictions attached to the Equity Shares</b>				
The company has one class of Equity Shares having a par value of Rs. 2/- each. Each shareholder is eligible for one vote per share held. (Previous year par value of Rs. 2/- each)				Lac Rs.
	Figures as at the end of current reporting period ending 31st March, 2016		Figures as at the end of previous reporting period ending 31st March, 2015	
<b>3. RESERVES &amp; SURPLUS</b>				
<b>CAPITAL RESERVE</b>				
As per last Balance Sheet		0.94		0.94
<b>CAPITAL REDEMPTION RESERVE</b>				
As per last Balance Sheet		110.00		110.00
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	3,020.00		3,020.00	
Add Transferred from Profit & Loss Account	-		-	
Add Depreciation of fixed assets whose useful life is defined under Schedule II of Companies Act 2013	194.01	3,214.01	-	3,020.00
Foreign Exchange Fluctuation Reserve		-		16.21
<b>PROFIT &amp; LOSS ACCOUNT</b>				
As per last Balance Sheet	4,790.38		5,041.02	
Add Transferred from Profit & Loss Account	(2,349.70)		(250.64)	
	2,440.68		4,790.38	
<b>Less: APPROPRIATIONS</b>				
Transferred to General Reserve	-		-	
Proposed & Interim Dividend	-		-	
Income Tax on Interim & Proposed Dividend	-		-	
<b>Balance carried over</b>		2,440.68		4,790.38
		5,765.63		7,937.53



# CHL LIMITED

		Lac Rs.	
		Figures as at the end of current reporting period ending 31st March, 2016	Figures as at the end of previous reporting period ending 31st March, 2015
<b>4</b>	<b>LONG TERM BORROWINGS</b>		
(a)	Term Loan from Banks		
	Andhra Bank*	1,028.17	1,184.57
	Bank of Baroda ECB Term Loan**	3,316.64	3,129.54
	Export Import Bank Of India***	21,612.47	18,784.61
(b)	Long Term Finance Lease Obligations****	95.68	99.60
		<b>26,052.96</b>	<b>23,198.32</b>
<p>* Include Rs. 1128.17 lacs repayable in 84 monthly installment from 17-08-2014 and carry interest at 12.00% pa and are secured by pari passu charge over entire fixed assets and exclusive charge on current assets.</p> <p>** Foreign Currency Loan (ECB) of US\$ 5 Million is repayable in 10 equal half yearly installments starting from 25-08-2016 and carry interest at LIOBR + 3.50% pa. The loan is secured by first pari passu charge over fixed assets.</p> <p>*** Foreign Currency Term Loan from Export Import Bank of India is repayable in 38 equal quarterly installment after two year moratorium from the date of commercial operations i.e. from 2017-18 and carry interest of LIBOR (6months) plus 4.00% p.a. Term Loan is secured by first &amp; exclusive charge over entire fixed assets and current assets of the subsidiary of the company and corporate guarantee of the company.</p> <p>**** These are secured by Hypothecation of vehicles taken under lease. The loans are repayable in equated monthly installments within five years period from the date of respective loan. The finance lease obligation also include amount financed by NBGC for purchase of computers.</p>			
<b>5</b>	<b>DEFERRED TAX LIABILITIES</b>		
(i)	<b>Deferred Tax Liability</b>		
	Depreciation on Fixed Assets	563.21	421.51
	Total (i)	563.21	421.51
(ii)	<b>Deferred Tax Asset</b>		
	Disallowance u/s 43 (B) of Income Tax	(19.08)	(5.50)
	Total (ii)	(19.08)	(5.50)
	<b>Net Deferred Tax Liabilities (i-ii)</b>	<b>544.13</b>	<b>416.01</b>
<b>6</b>	<b>OTHER LONG TERM LIABILITIES</b>		
a)	Security Deposits	252.02	261.62
b)	Others	39.53	42.64
		<b>291.55</b>	<b>304.26</b>
<b>7</b>	<b>LONG TERM PROVISIONS</b>		
-	Provision for leave Benefit	55.16	54.10
-	Provision for Gratuity	-	24.80
		<b>55.16</b>	<b>78.90</b>
<b>8</b>	<b>Short Term Borrowings</b>		
-	Overdraft against Fixed Deposit with banks	624.45	1,924.80
-	Intercompany Deposits/Unsecured loan	825.56	873.89
		<b>1,450.01</b>	<b>2,798.69</b>
<b>9</b>	<b>Trade Payable</b>		
-	Sundry Creditors	1,040.78	941.31
		<b>1,040.78</b>	<b>941.31</b>
<b>10</b>	<b>Other Current Liabilities</b>		
-	Advances from Customers	69.22	53.55
-	Unpaid Dividends	12.99	18.93
-	Statutory Liabilities	669.20	593.11
-	Other Liabilities	393.37	282.34
		<b>1,144.78</b>	<b>947.93</b>
<b>11</b>	<b>Short Term Provisions</b>		
-	Provision for Staff Leave Benefit	18.52	17.21
-	Provision for Gratuity	9.30	-
-	Interest Accrued but not due	13.32	9.65
		<b>41.14</b>	<b>26.86</b>

# NOTE 12 - FIXED ASSETS

Lac Rs.

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	As on 01.04.2015	Additions during the year	Sales/ Transfer	As on 31.03.2016	As on 01.04.2015	During the year	Adjust- ment/ Transfer	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
Land (Leasehold)	599.31	-	-	599.31	-	-	-	-	599.31	599.31
Land (Freehold)	116.04	-	-	116.04	-	-	-	-	116.04	116.04
Site Development	-	361.76	-	361.76	-	4.29	-	4.29	357.47	-
Land & Building (Noida)	240.48	15.00	-	255.48	-	-	-	-	255.48	240.48
Building	3,570.37	14,050.34	-	17,620.71	808.05	218.37	0.38	1,026.04	16,594.67	2,762.32
Plant & Machinery	3,718.00	6,432.65	-	10,150.65	2,657.47	239.20	87.77	2,808.90	7,341.75	1,060.53
Plant & Machinery (Noida)	90.90	-	-	90.90	-	-	-	-	90.90	90.90
Furniture, Fixture and Fitting	931.15	7,330.68	-	8,261.83	758.63	683.21	81.77	1,360.07	6,901.76	172.52
Office & Other Equipments	74.28	6.75	-	81.03	38.32	13.34	(3.29)	54.95	26.08	35.96
Computers	141.44	1,737.45	-	1,878.89	117.01	210.68	6.84	320.85	1,558.04	24.43
Vehicles	661.18	47.47	148.65	560.00	381.62	49.35	142.83	288.14	271.86	279.56
TOTAL - Current Year	10,143.15	29,982.10	148.65	39,976.60	4,761.10	1,418.44	316.30	5,863.24	34,113.36	5,382.05
Previous Year	10,418.52	61.38	336.75	10,143.15	4,647.28	412.17	298.35	4,761.10	5,382.05	5,771.24
Capital Work in Progress	-	-	-	-	-	-	-	-	38.14	29,680.08

**CHL LIMITED**

	As at, 31-03-2016 No of Units	As at 31-03-2015 No of Units	As at 31-03-2016 Lac Rs.	As at 31-03-2015 Lac Rs.
<b>13. LONG TERM INVESTMENTS</b>				
<b>In Equity Shares - Others (Quoted &amp; Fully Paid)</b>				
Advani Hotels & Resorts (India) Ltd. Of Rs.2/- each	500	500	0.01	0.01
Asian Hotel (East) Ltd. Of Rs.10/- each	25	25	0.01	0.01
Asian Hotel (North) Ltd. Of Rs.10/- each	25	25	0.01	0.01
Asian Hotel (West) Ltd. Of Rs.10/- each	25	25	0.01	0.01
EIH Associate Hotels Ltd. Of Rs.10/- each	50	50	0.01	0.01
EIH Ltd. Of Rs.2/- each	75	75	0.02	0.02
Essar Steel Ltd of Rs. 10/- each	50,000	50,000	21.63	21.63
Hotel Leela Venture Ltd. Of Rs.2/- each	250	250	-	-
Indian Hotel Ltd. Of Rs.1/- each	100	100	0.02	0.02
ITC Ltd. Of Rs.1/- each	30	30	0.01	0.01
Jaiprakash Associates Ltd.of Rs. 2/- each	15	15	0.01	0.01
Morepen Laboratories Ltd. of Rs. 2/- each	-	5,000	-	0.75
Penta Media Graphics Ltd. of Rs. 1/- each	1,00,000	1,00,000	1.00	1.00
Reliance Power Ltd. Of Rs.10/-each	28,800	28,800	62.77	62.77
Royal Manor Hotels & Industries Ltd. Of Rs.10/- each	100	100	-	-
Sayaji Hotel Ltd. Of Rs.10/- each	100	100	-	-
HB state Developers Ltd of Rs. 10/-each	2,59,984	2,59,984	150.67	150.67
Taj GVK Hotels & Resorts Ltd of Rs.2/- each	10	10	0.03	0.03
			<b>236.21</b>	<b>236.96</b>
<b>In Equity Shares - Others (Unquoted &amp; Fully Paid)</b>				
Bharat Hotel Ltd. Of Rs.10/- each	150	15	0.01	0.01
KMAHP Pvt Ltd. Of Rs.10 each	100	100	0.01	0.01
Jagriti Hydro Power Pvt Ltd Of Rs.10/- each	1,000	1,000	0.10	0.10
Makkan Hydropower Pvt Ltd Of Rs. 10/- each	3,000	3,000	0.30	0.30
VRV Food Hospitality Pvt Ltd of Rs. 10/- each	1,100	-	0.11	-
			<b>0.53</b>	<b>0.42</b>
<b>In Equity Shares (Unquoted, Fully Paid up) Associate Companies</b>				
CHL (South) Hotels Ltd of Rs.10/- each	1,00,000	1,00,000	10.00	10.00
			<b>10.00</b>	<b>10.00</b>
<b>In Mutual Funds (Unquoted, Fully Paid)</b>				
Osian Art Fund	1,00,000	1,00,000	10.00	10.00
Tajikistan Electricity Board Bond			0.25	0.32
			<b>10.25</b>	<b>10.32</b>
TOTAL			<b>256.99</b>	<b>257.70</b>
AGGREGATE VALUE OF	Book Value		Market Value	Market Value
Quoted Investments	236.96		34.79	64.98

	<b>Figures as at the end of current reporting period ending 31st March, 2016</b>		<b>Figures as at the end of previous reporting period ending 31st March, 2015</b>		<b>Lac Rs.</b>
<b>14. Long Term Loans &amp; Advances</b>					
<b>Unsecured, considered good</b>					
- Capital Advances	19.62		141.77		
- Other advances	92.82		342.81		
- Interest Recoverable	-		0.08		
- Security & Other Deposit	53.70		53.90		
<b>Other Loan &amp; advances</b>					
- MAT Credit Entitlement	54.75		9.06		
- Income Tax Refundable	1,427.01	1,647.90	1,512.23	2,059.85	
<b>15. OTHER NON CURRENT ASSETS</b>					
<b>Unsecured, considered good</b>					
- Long Term Trade Receivable		32.86		-	
<b>16. INVENTORIES</b>					
<b>(at cost or realisation value whichever is lower and as certified by the Management)</b>					
i) Chinaware, Glassware, Silverware, Linen etc	158.02		152.26		
ii) Kitchen Accessories	327.57		341.30		
iii) Provision, Food, Beverages etc.	114.36		131.40		
iv) General Stores and Project Store	259.64	859.59	540.53	1,165.49	
<b>17. TRADE RECEIVABLES</b>					
<b>(Unsecured considered Good)</b>					
i) Outstanding for over Six Months	2.16		6.20		
ii) Others	529.26	531.42	445.63	451.83	
<b>18. CASH AND BANK BALANCES</b>					
<b>Cash &amp; Cash Equivalents</b>					
i) Cash on Hand	31.09		19.53		
ii) Cheques/drafts in Hand	-		-		
iii) In current accounts	153.65		701.04		
<b>Other Bank Balances</b>					
iv) In Unpaid Dividend Account	12.99		18.94		
v) Fixed Deposits with Banks maturing within a year	680.90	878.63	1,857.74	2,597.25	
<b>19. SHORT TERM LOANS &amp; ADVANCES</b>					
<b>(Unsecured-considered good)</b>					
Advances recoverable in cash or kind or for value to be received considered good					
- Other advances	65.64		13.08		
- Advances to Suppliers	48.41		26.54		
- Prepaid Expenses	152.56		136.40		
- Income Tax Recoverable	70.44	337.05	127.78	303.80	
<b>20. OTHER CURRENT ASSETS</b>					
i) Interest accrued on Fixed Deposits	7.37		19.25		
ii) Ancillary cost of term loan	139.61		186.14		
iii) Other current assets	-	146.98	0.08	205.47	
		2753.67		4723.84	

**CHL LIMITED****Lac Rs.**

	<b>Figures for the current reporting period</b>		<b>Figures for the previous reporting period</b>	
	<b>31st March, 2016</b>		<b>31st March, 2015</b>	
<b>21. REVENUE FROM OPERATIONS</b>				
<b>Sale of Product</b>				
Wine & Liquor	295.62		267.33	
Food, Beverage & Smokes	2,195.04		1,808.13	
	<u>2,490.66</u>		<u>2,075.46</u>	
Less Excise Duty	6.01	2,484.65	5.03	2,070.43
<b>Sale of Services</b>				
Rooms	3,793.03		2,747.82	
Licence Fee	796.79		761.67	
Communications	18.72		27.48	
Other Operating Revenues	226.11		184.95	
Banquet Misc. Services	47.49	4,882.14	64.81	3,786.73
		<u>7,366.79</u>		<u>5,857.16</u>
<b>22. OTHER INCOME</b>				
Interest earned		87.96		156.05
Dividend Income - Long Term Investments		0.30		0.01
Foreign Currency transaction gain/(loss)		25.30		24.78
Scrap Income		9.89		11.33
Excess Provision & Other Income		35.62		28.07
Bad Debt Recovered		76.54		-
		<u>235.61</u>		<u>220.24</u>
<b>23. CONSUMPTION OF PROVISIONS, WINES &amp; SMOKES</b>				
Provisions, Beverages & Smokes & Liquor		1,231.47		756.08
		<u>1,231.47</u>		<u>756.08</u>
<b>24. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>				
Salaries, Wages, Stipend & Bonus		1,566.69		1,653.07
Contribution to Provident, Gratuity & Other Funds		121.11		141.63
Employees Welfare Expenses		342.72		186.68
Recruitment & Training Expenses		1.59		16.41
		<u>2,032.11</u>		<u>1,997.79</u>
<b>25. FINANCIAL EXPENSES</b>				
i) Interest on Term Loan		1,432.40		145.65
ii) Interest others		101.21		199.43
iii) Amortisation of interest		46.54		46.54
iv) Bank & Financial Charges		11.58		14.63
		<u>1,591.73</u>		<u>406.25</u>

	<b>Lac Rs.</b>	
	<b>Figures for the current reporting period</b>	<b>Figures for the previous reporting period</b>
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>26. OPERATING AND GENERAL EXPENSES</b>		
Linen, Room Catering and other Supplies	268.57	251.07
Power & Fuel	1,189.39	1,125.94
Repairs : Machinery	263.20	222.74
Building	188.95	57.43
Others	71.82	68.25
Rent, Rates & Taxes	273.21	137.01
Insurance	47.44	23.43
Directors Sitting Fee	12.82	11.20
Telephone, Telex & Postage	115.13	40.16
Operational Expenses	515.14	337.75
Travelling & Conveyance	171.70	116.38
Legal & Professional Expenses	58.54	40.67
Marketing, Franchise & Technical Services	126.58	44.13
Advertisement & Publicity	27.87	36.98
Commission	101.21	79.45
Other Selling Expenses	73.30	98.35
Loss on sale of Assets	0.01	6.36
Assets written off / Discarded	-	26.97
	<b>3,504.88</b>	<b>2,724.27</b>
<b>27. PRIOR PERIOD ITEMS</b>		
Adjustment of last year tax provision	-	11.98
	-	11.98
<b>28. EXTRA ORDINARY ITEMS</b>		
loss on trading of Equity/currency/commodity	32.11	-
	<b>32.11</b>	-
<b>29. PROVISION FOR TAXES</b>		
- Provision for Income Tax	56.06	9.06
- Provision for Wealth Tax	-	1.19
- Provision for Deferred Tax	128.12	1.17
Total Provision	<b>184.18</b>	<b>11.42</b>



## 30. Contingent liabilities not provided for in respect of

Lac Rs.

	2015-2016	2014-2015
i) Demands / Claims not acknowledged as debt or which are under litigation	100.00	NIL
ii) Bank Guarantees furnished	NIL	NIL
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	Rs. 366.57	Rs. 306.03
iv) Corporate Guarantee <sup>i</sup> (million Dollar)	US\$32.50	US\$32.50

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

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

32. The Fixed Deposits are pledged with:

- i) Statutory Authorities - Rs.0.90 lacs (Rs. 0.90 lacs); and
- ii) Against overdraft facilities – Rs. 680.00 lacs (Rs. 1856.84 lacs).

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

34. Lease rental on NSEZ Noida land has been partly paid. No Lease rental has been provided in financial statement in respect of Jaipur Land in the absence of any claim from the concerned authority.

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

In respect of the Company Rs. 30.00 Lacs (previous year Rs. 50.00 lacs)

36. Debts due to or by the company, are generally unconfirmed by the parties and/or under reconciliation. In the opinion of the management the impact of adjustment on reconciliation is not likely to be significant.

37. 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.

## 38. 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.

## 39. 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>Assumptions :</b>	2015-16	2014-15
Discount Rate	8.06%	8.00%
Rate of increase in Compensation levels	6.00%	6.00%
Superannuation age	58 yrs	58 yrs
Mortality	NA	NA



**Table Showing Change in The Present Value of Projected Benefit Obligation:**

	2015-16	2014-15
Projected Benefit Obligations (PBO) at the beginning of the year	71.31	65.19
Interest Cost	5.70	5.22
Service Cost	6.42	8.23
Benefits paid	(12.14)	(10.84)
Actuarial (gain) loss on obligations	2.39	3.51
PBO at the end of the year	73.68	71.31

**Tables showing Changes in the Fair value of Plan Assets**

Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	-	-
Benefits paid	-	-
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets At the end of the year	-	-

**Acturial (Gain)/Losses Recognised in the Statement of Profit or Loss for current year**

Acturial (Gain)/Losses on Obligation for the period	2.39	3.51
Acturial (Gain)/Losses on Plan Asset For the Period	-	-
Sub Total	2.39	3.51
Acturial (Gains)/Losses Recognised in the Statement of Profit or Loss	2.39	3.51

**Actual Return on Plan Assets**

Expected Return of Plan Assets	-	-
Acturial Gains/(Losses) on Plan Assets - Due to Experience	-	-
Actual Return on Plan Assets	-	-

**Amount Recognised in the Balance Sheet**

Present Value of Benefit Obligation at the end of the Period)	(73.68)	(71.31)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/(Deficit)	(73.68)	(71.31)
Unrecognised Past Service Cost at the end of the Period	-	-
Net(Liability)/Asset Recognised in the Balance Sheet	(73.68)	(71.13)

**Net Interest Cost for the Current Period**

Present Value of Benefit Obligation at the end of the Period	71.31	65.19
(Fair Value of Plan Assets at the end of the Period)	-	-
Net Liability/(Asset) at the Beginning	71.31	65.19
Interest Cost	5.70	5.22
(Expected Return on Plan Assets)	-	-
Net Interest Cost for Current Period	5.70	5.22



<b><u>Expenses Recognised in the Statement of Profit or Loss for Current Period</u></b>	<b>2015-16</b>	<b>2014-15</b>
Current Service Cost	<b>6.42</b>	8.23
Net Interest Cost	<b>5.70</b>	5.22
Acturial (Gains)/Losses	<b>2.39</b>	3.51
Past Service Cost - Non Vested Benefit Recognised During the Period	-	-
Past Service Cost - Vested Benefit Recognised During the Period	-	-
(Expected Contribution by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Changes in Asset Ceiling	-	-
Expenses Recognised in the Statement of Profit or Loss	<b>14.51</b>	16.96

**Balance Sheet Reconciliation**

Opening Net Liability	<b>71.31</b>	65.19
Expenses Recognised in Statement of Profit or Loss	<b>14.51</b>	16.96
Net Liability/(Asset) Transfer in	-	-
Net (Liability)/Asset Transfer out	-	-
(Benefit Paid Directly by the Employer)	<b>(12.14)</b>	(10.84)
(Employers Contribution)	-	-
Net Liability/(Asset) Recognised in the Balance Sheet	<b>73.68</b>	71.31

**Other Details**

No of Active Members	<b>430.00</b>	442
Per Month Salary For Active Members	<b>85.05</b>	83.36
Projected Benefit Obligation	<b>73.68</b>	71.31

**Experience Adjustement**

Acturial (Gains)/Losses on Obligation - Due to Experience	<b>2.76</b>	3.51
Acturial Gains/(Losses on obligation - Due to Experience	-	-

40. AS-17 on Segment Reporting is not applicable as the company is engaged only in hotel business and at one location.
41. Contribution to Political party: NIL (Previous Year NIL)

42. Related party transactions

-a	Subsidiary Company	CHL International			
-	Key Management Personnel	Dr. L.K.Malhotra	Managing Director		
		Mr. Luv Malhotra	Joint Managing Director		
		Mr. Gagan Malhotra	Executive Director		
		Mr. N.K.Goel	Vice President Finance & CFO		
		Mr. G.J.Varadarajan	Company Secretary		
-	Entities controlled by Directors or their relatives	Kyjol Projects Pvt Ltd.			
		Mela Hotels Limited			
		Sankalp Portfolio Investments Pvt Ltd.			
		Malbros Holdings Pvt Ltd			
		Ultima Leasing & Financing			
Sr. no	Name of Party	Nature of Transaction	Transaction value	Bal. as on 31.3.2016	Bal. as on 31.3.2015
a)	Malbros Holdings Pvt Ltd	Inter corporate Deposit	150.00	NIL	230.00
		Lease Financing	20.00	16.61	NIL
b)	CHL International	- Investment	81.11	7019.47	6938.36
		- Advances	(65.76)	107.78	173.54

Managerial Remuneration to Directors

Particulars	2015-16	2014-15
Salary & Allowances	168.00	168.00
Contribution to P.F.	11.52	11.52
Other benefit/perquisites	3.00	2.80
Sitting Fee to other Directors	9.80	8.40

43. Details of Consumption & Purchase

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

A. C.I.F. Value of Imports

a) Food & Beverage	Nil	Nil
b) Wine & Liquor – through canalizing agencies.	28.23	24.03
c) Components, spare parts and stores	1.03	13.37
d) Capital Goods	81.90	140.89

B. Expenditure in Foreign Currency – on payment basis

i. Technical Services	Nil	17.91
ii. Others	191.01	162.63

C. Earning in Foreign Exchange – on receipt basis

On account of hotel services	1628.31	1446.46
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D. Remittance in Foreign Currency on account of Dividend to non resident shareholders

Nil (Previous years Nil)

44. Amount transferred to Investor Education and Protection Fund as required under section 205 C of the Companies Act 1956- Rs.1.58 lacs (Previous Year Rs. 1.70 lacs)



## CHL LIMITED

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

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

**a. Registration Details**

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2016

**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	41904.72
Total Assets	41904.72

**SOURCE OF FUNDS**

Paid-up Capital	1096.37
Minority Interest	4422.21
Reserve & Surplus	5765.63
Non- Current Liabilities	26399.67
Current Liabilities	3676.71
Deferred Tax (Net)	544.13

**APPLICAION OF FUNDS**

Net Fixed Assets	34151.50
Non Current Investments	256.99
Long Term Loans & Advances	1647.90
Other Non Current Assets	32.86
Current Assets	2753.67
Foreign Exchange Translation Reserve	3061.80

**d. Performance of the Company**

Turnover	7602.40
Total Expenditure	9778.63
Profit / (Loss) before Tax	(2176.23)
Profit / (Loss) after Tax	(2349.70)
Earnings per share	0.25
Dividend Rate (%)	NIL

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

Items Code (ITC Code)	NA
Product Description	Hotel Business

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**

Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**

Joint Managing Director

**L.K. MALHOTRA**

Chairman & Managing Director

**Gulshan Rai**

Partner  
Membership No. 3921

**N.K. GOEL**

Vice President Finance & CFO

**G.J. VARADARAJAN**

Company Secretary

Place: New Delhi

Date : 27th May, 2016



**CHL LIMITED****PROXY FORM  
CHL LIMITED**

Hotel The Suryaa, New Friends Colony, New Delhi-110025  
 Tel +91 11 26835070, 47808080, Fax: +91 26837758, 47808081  
[www.chl.co.in](http://www.chl.co.in), E-mail [cs@chl.co.in](mailto:cs@chl.co.in), CIN No. L55101DL1979PLC009498

Name of the Member(s) :  
 Regd. Address :  
 E-mail ID :  
 Folio/DP ID -Client-ID No. :

I/We, being the Member(s) holding ..... shares of the above named company, hereby appoint

(1)	Name .....	Address .....	Signature .....
	Email ID .....	Signature .....	Signature .....
(2)	Name .....	Address .....	Signature .....
	Email ID .....	Signature .....	Signature .....
(3)	Name .....	Address .....	Signature .....
	Email ID .....	Signature .....	Signature .....

As my/our proxy to attend and vote to me/us and on my/our behalf at the 37th Annual General Meeting to be held on Friday, the 12th August, 2016 at 12.30 PM at Hotel The Suryaa, New Friends Colony, New Delhi 110 025 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolutions		For	Against
<b>Ordinary Business</b>			
Resolution No. 1	To receive, consider and adopt		
	(a) The Audited Standalone Financial Statements of the Company for the year ended 31 March, 2016 together with the Reports of the Directors and the Auditors thereon; and		
	(b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 and the Reports of the Auditors thereon.		
Resolution No. 2	Appointment of a Director in place of Mr. A. K. Malhotra, (DIN 00676603) who retires by rotation and being eligible, offers himself for re-appointment.		
Resolution No. 3	Appointment of a Director in place of Ms. Kajal Malhotra, (DIN: 01319170) who retires by rotation and being eligible, offers herself for re-appointment.		
Resolution No. 4	Ratification of the appointment of M/s G Rai & Co., Chartered Accountants as Statutory Auditors of the Company up to the conclusion of the next Annual General Meeting.		
<b>Special Business</b>			
Resolution No. 5	Appointment of Mr. Alkesh Tacker (DIN: 00513286) as an Independent Director.		
Resolution No. 6	Re-appointment of Mr. Gagan Malhotra as an Executive Director for a period of three years w.e.f. 01.04.2016 with remuneration as per the Schedule V of the Companies Act, 2013.		

Signed this ..... day of .....2016

Member's Folio/DP ID-Client ID No.....

Signature of Proxy holders.....

Signature of Shareholder

Affix  
Revenue  
Stamp not  
less than Rs.1

**Note:**

- This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 37th Annual General Meeting.
- It is optional to put "✓" in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of the Member(s) in the box before submission.

**ATTENDANCE SLIP  
CHL LIMITED**

Hotel The Suryaa, New Friends Colony, New Delhi-110025  
 Tel +91 11 26835070, 47808080, Fax: +91 26837758, 47808081  
[www.chl.co.in](http://www.chl.co.in), E-mail [cs@chl.co.in](mailto:cs@chl.co.in), CIN No. L55101DL1979PLC009498

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company at Hotel The Suryaa, New Friends Colony, New Delhi 110 025 at 12.30 PM on Friday, the 12.08.2016

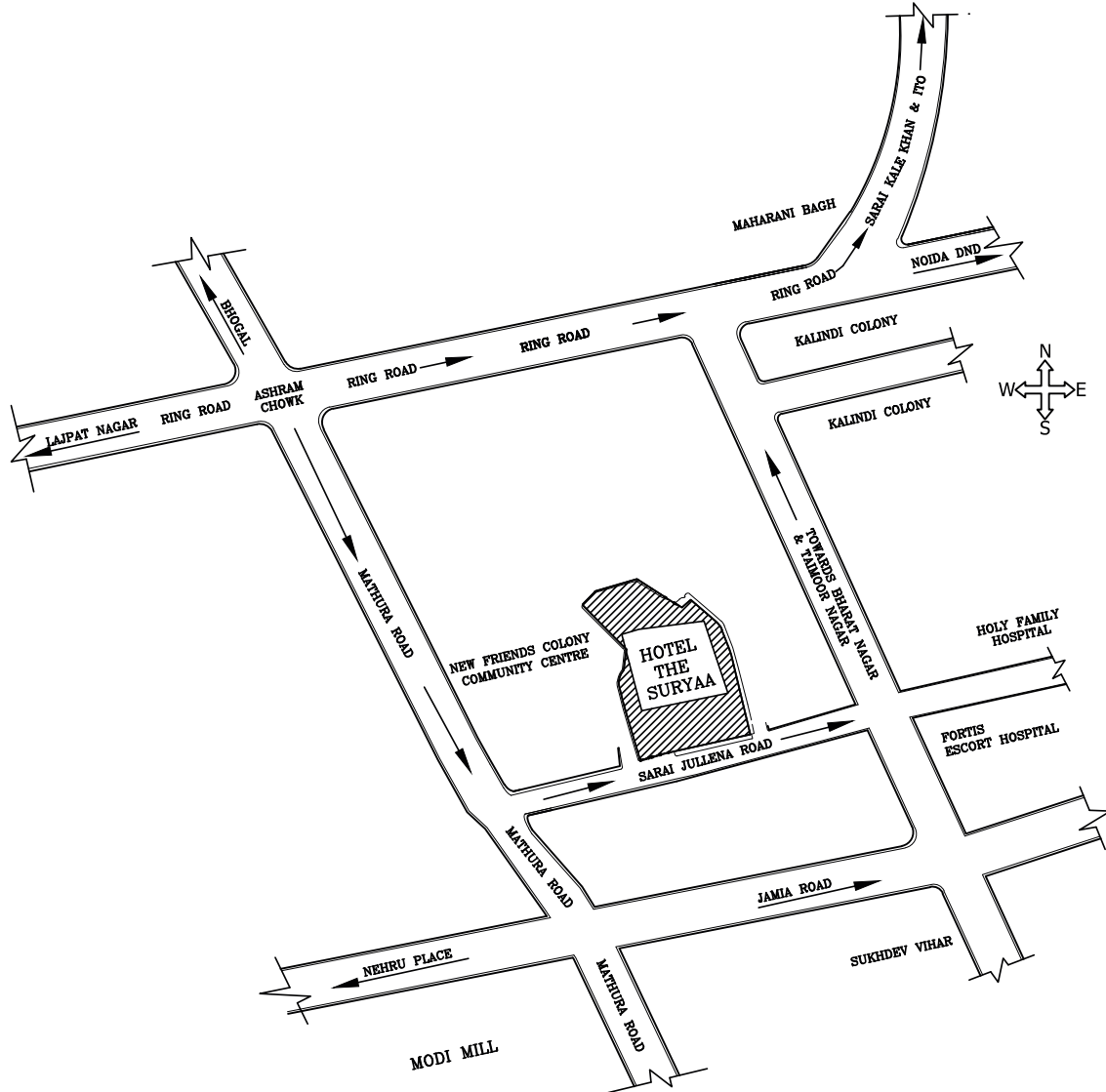
Member's Folio/DP-Client ID

Member's proxy name in Block Letters

Member's Proxy's signature

- Note:**
- Please complete the Folio/DP- Client ID- No. and name and sign the Attendance Slip and hand it over the Attendance Verification center at the ENTRANCE OF THE MEETING HALL.
  - Members holding shares in physical form are requested to advise their change in their address if any, to Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 3rd Floor, 99, Madangir, behind Local Shopping Centre, New Delhi 110 062, quoting their Folio Numbers, Members holding shares in electronic form may update such a details with their respective Depository Participant(s).
  - Members are requested to bring this slip along with them as duplicate slip will not issued at the venue of the meeting.

## ROUTE MAP OF HOTEL THE SURYAA NEW DELHI







*If undelivered please return to :*



**CHL LIMITED**

HOTEL THE SURYAA

NEW FRIENDS COLONY

NEW DELHI - 110 025