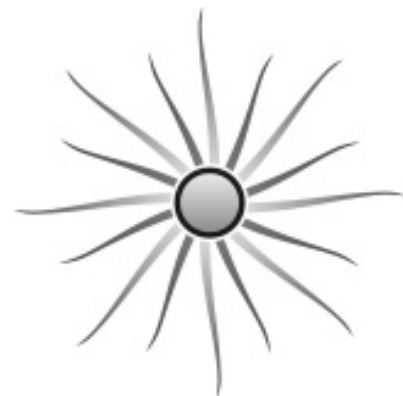


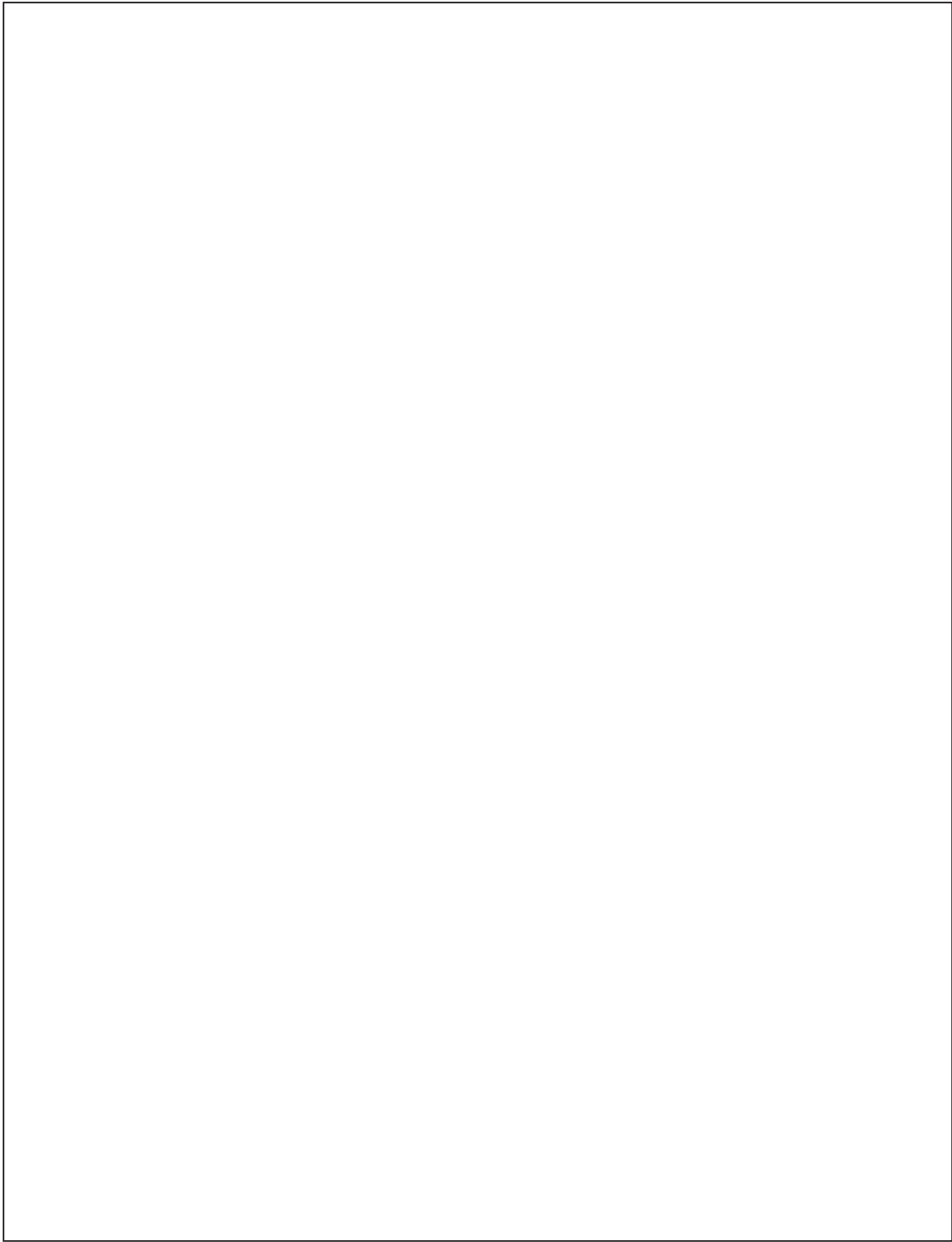


CHL LIMITED

**ANNUAL REPORT
2011 - 2012**



THE
SURYAA
NEW DELHI





CHL LIMITED

33rd Annual General Meeting

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

BOARD OF DIRECTORS

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

Company Secretary

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

Vice-President Finance & CFO

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

Statutory Auditors

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

Internal Auditor

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

Bankers

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

Registrar and Share Transfer Agent

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

Regd. Office

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

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NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

By Order of the Board

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

**G.J. Varadarajan
Company Secretary**

NOTES

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



CHL LIMITED

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

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

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

Items No. 6.

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

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

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

The Board recommends this resolution for your approval.

By Order of the Board

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

**G.J. Varadarajan
Company Secretary**

DIRECTORS' REPORT

TO THE MEMBERS OF CHL LIMITED

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

1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE

Particulars	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)
Total Income		
Sales	6,238.55	6,561.03
Other Income	424.26	6,662.81
Less: Total Expenses	4,906.15	4,846.03
(Inclusive of exceptional items)		
Gross Profit before Interest, Depreciation and Tax	1,756.66	2,089.93
Less : Financial Charges	485.80	436.35
Depreciation	485.13	431.26
	970.93	867.61
Profit Before Tax	785.73	1,222.32
Less: Provision for Tax	329.60	338.48
Net Profit after Tax	456.13	883.83
Add : Profit brought forward from last year	4,251.67	3,881.38
Profit available for appropriation	4,707.80	4,765.21
APPROPRIATIONS		
Transferred to General Reserves	80.00	130.00
Proposed Dividend on equity shares including interim dividend	219.28	328.91
Tax on Dividend	35.57	54.63
Balance carried to Balance Sheet	4,372.95	4,251.67

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

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

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

2. BUSINESS REVIEW

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



CHL LIMITED

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

3. DIVIDEND

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

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

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

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

4. DIRECTORS

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

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

5. MANAGEMENT DISCUSSION AND ANALYSIS

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

6. SUBSIDIARY COMPANY

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

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

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

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

7. CONSOLIDATION OF FINANCIAL STATEMENT

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

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

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

9. CORPORATE GOVERNANCE

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

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

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

11. SECRETARIAL AUDIT

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

12. AUDITORS' REPORT

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

13. AUDITORS

Statutory Auditors

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

Internal Auditors

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

14. AUDITORS OF SUBSIDIARY COMPANY

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

15. FIXED DEPOSITS

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



CHL LIMITED

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

17. ACKNOWLEDGEMENTS

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

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

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

Your Directors look forward to the bright future.

For and on behalf of the Board

Place : New Delhi
Date : 9th August, 2012

Dr L.K. Malhotra
Chairman & Managing Director

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

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

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

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

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

For and on behalf of the Board

Place : New Delhi
Date : 9th August, 2012

Dr L.K. Malhotra
Chairman & Managing Director