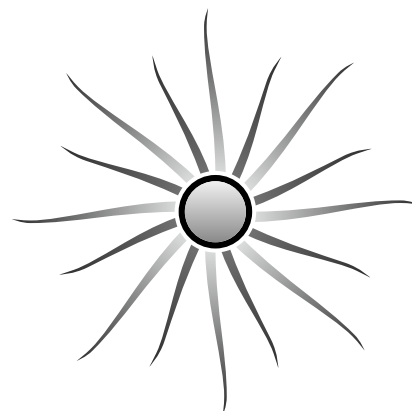




**CHL LIMITED**

**ANNUAL REPORT  
2014 - 2015**



— THE —  
**SURYAA**  
— SERVICE SO MEMORABLE —





## CHL LIMITED

### 36th Annual General Meeting

Date : 18th September, 2015

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. D. V. Malhotra  
Mr. O. P. Bajaj  
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

### 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 : 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  
Website : http://www.chl.co.in



## NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of CHL Limited will be held on Friday the **18th day of September, 2015 at 12.30 PM** at the Registered Office of the Company at Hotel The Suryaa, New Friends Colony, New Delhi 110 025 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated Financial Statements) of the Company for the year ended 31st March, 2015 including Audited Balance Sheet for the year ended 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and 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 Mr. O. P. Bajaj, (DIN 00570940) who retires by rotation and being eligible, offers himself 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 Accountants, 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 37th AGM of the Company to be held in the year 2016, at such remuneration as decided by the Board of Directors of the Company.

### 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. R. C. Sharma (DIN 00023274) holding the position of an Independent Director, who retires by rotation at this Annual General Meeting, being eligible offers himself for re-appointment 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 in accordance with the provisions of Section 152, 160 and any other applicable provisions of the Companies Act, 2013 and any other rule made thereunder, Ms. Kajal Malhotra (DIN 01319170) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 09.02.2015 and who holds the office upto the date of this Annual General Meeting as per the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Ms. Kajal Malhotra for the office of Director of the Company, be and is hereby appointed as a Non Executive Non Independent Director of the Company who is liable to retire by rotation at the Annual General Meeting.

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

Resolved that subject to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, the payment of overall remuneration to Dr. L. K. Malhotra, Chairman & Managing Director, is as follows:

#### Overall Remuneration:

Subject to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 and modifications/ amendments thereof, if any, the remuneration payable to Managing Director, Joint Managing Director and Executive



## CHL LIMITED

Director of the Company, in any financial year shall not exceed 10% (ten percent) of the net profit of the Company for all of them together. Subject to Schedule V of the Companies Act, 2013, in any financial year, if the Company has no profit or its profits are inadequate, the remuneration payable to Dr. L.K. Malhotra, Chairman & Managing Director of the Company shall be as under w.e.f. 01.04.2014 till the end of his tenure i.e. 14.07.2015.

Basic Salary	Rs.4,00,000 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 Rules, wherever applicable and in the absence of any such Rule, Perquisites shall be evaluated at actual cost.
Miscellaneous Allowances	Rs.60,000 P.M.
Commission	To be paid within the overall limit of the net profit in a financial year computed in the manner laid down under Section 197 of the Companies Act, 2013
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.
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.
Entertainment /Traveling	Reimbursement of traveling, entertainment and other Expenses as incurred by him for the business of the Company

### **Provident Fund, Gratuity and Encashment of Leave**

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

**Resolved Further that** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, ("Act") including Schedule V of the Act, the consent of the Company be and is hereby accorded to the re-appointment of Dr. L. K. Malhotra as Chairman & Managing Director whose tenure is expiring on 14.07.2015, for a period of three years commencing from 15.07.2015 to 14.07.2018 and to the payment of remuneration and perquisite to him as above.

**Resolved Further that** the Board of Directors, be and are hereby, specifically authorized to alter at any time and vary the terms and conditions of the remuneration to be paid in the absence or inadequacy of profits, in such a manner but so as not to exceed the limits as specified in Schedule 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, be and are hereby authorized to do all such acts, deeds matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.

**By Order of the Board**

Place: New Delhi  
Date : 11th August, 2015

**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 **12.09.2015 to 18.09.2015** (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 2007-08 (Final Dividend), 2008-09 (Interim and 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 2007-08 will be transferred to Investors Education and Protection Fund in the first week of October, 2015. As such it will not be possible to entertain dividend claim after first week of October, 2015.
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 2014-15 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 Clause 49 of the Listing Agreement, 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.

### E-Voting

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 and Clause 35B of the Listing Agreement, 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 instructions for members for voting electronically are as under:-

The voting period begins on **Tuesday, the 15th September, 2015 at 10.00 AM and ends on Thursday, the 17th September, 2015 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 11th September, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on Shareholders
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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 of any company, then your existing password is to be used.
- (vi) 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 RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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.</li> <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 (iii).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the "CHL LIMITED" on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.



- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.

**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 linked in the login 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).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.

**Voting Period :**

- (B) The voting period begins on **Tuesday, the 15th September, 2015 at 10.00 AM and ends on Thursday, the 17th September, 2015 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 11th September, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**(C) General Information**

- (a) Every Client ID No./Folio No. shall have 1 (one) e-voting right irrespective of the joint-holders.
- (b) Voting rights shall be reckoned on the paid up value of share registered in the name of the member as on 11th September, 2015.
- (c) E-voting rights cannot be exercised by a proxy.
- (d) The Company has appointed Mr. Arvind Chadha, Proprietor of M/s A.Chadha & Associates, Company Secretaries, (CP No. 3732) who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic 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 e-voting and the votes in the shareholders' meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (BSE).
- (e) The results of the e-voting will be declared on or after the date of the AGM i.e. Friday, 18th September, 2015. The declared results will be available on the company's website [www.chl.co.in](http://www.chl.co.in) and communicated to the Exchange.
- (f) Pursuant to section 114 of the Companies Act, 2013 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 are more than the votes cast against and further, Special Resolution mentioned above shall be declared as passed if the votes cast in favour are not less than three times the number of votes cast against the resolution by the members.



- (g) 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.
- (h) 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.
- (i) 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 director shall be open 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 5**

Mr. R. C. Sharma who has been acting as an Independent Director on the Board of the Company is liable to retire by rotation in the ensuing Annual General Meeting. Sub Section (10) of Section 149 of the Companies Act, 2013 requires appointment of Independent Director who shall hold office for a term of 5 (Five) consecutive years on the Board of the Company, not liable to retire by rotation.

The Board at its meeting held on 25.05.2015, after obtaining declaration from Mr. R. C. Sharma and after satisfying itself about independent of the above said Director under Section 149(6) of the Act and the Listing Agreement, recommended the appointment of Mr. R. C. Sharma as an Independent Director on the Board for a term of 5 (five) consecutive years.

The brief profile of Mr. R. C. Sharma, the aforesaid Independent Director is given below:

Mr. R. C. Sharma is an I.P.S. (Retd.) and former Director of Central Bureau of Investigation. He has rich and vast experience in the fields of public administration and information technologies. He is the President of Fore School of Management and Chairman of International Institute of Security & Safety Management. He holds numerous directorships in other Companies. The Board recommends the appointment of the aforesaid Independent Director for a term of 5 (five) consecutive years on the date of the Annual General Meeting i.e. 18.09.2015.

Except Mr. R. C. Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company are concerned or interested in the resolution except to the extent that they are the members of the company.

**Item No. 6**

Ms. Kajal Malhotra was appointed as an Additional Director in the Board Meeting held on 09.02.2015 as Woman Director and she holds the office upto the date of this Annual General Meeting. Notice in writing from a member proposing the candidature of Ms. Kajal Malhotra for the office of Directorship of the Company has been received. Ms. Kajal Malhotra belongs to a Business Family. She has practiced as a Lawyer in Delhi High Court for 4 years. She has a vast experience in finance and legal field. She has expertise in Business Development and Planning. She is also having good nuances in political studies and economic policy. The Board recommends her appointment.

Except Mr. L. K. Malhotra, Chairman & Managing Director and Mr. Luv Malhotra, Joint Managing Director, who are related to Ms. Kajal Malhotra, none of the Directors and Key Managerial Personnel of the Company are concerned or interested in the resolution except to the extent that they are the members of the company.

**Item No. 7**

In the 31st Annual General Meeting of the Company Dr. L. K. Malhotra was re-appointed as Chairman & Managing Director for a period of Five Years w.e.f. 15.7.2010 to 14.07.2015 with a basic salary of Rs. 5,00,000/- per month and other allowances. Due to inadequacy of profits his overall remuneration was reduced to Rs.3,50,000 per month, as per the schedule XIII of the previous Companies Act, 1956 in the Board Meeting held on 27.01.2011.



As per Part II, Section II of Schedule V of the Companies Act, 2013, wherein in any financial year during the currency of a managerial person, a company has no profits or its profits are inadequate, the managerial remuneration limit of Rs. 3,50,000 per month may be doubled, if the resolution for managerial remuneration is passed in the meeting of shareholders of the company as a Special Resolution.

It is desired that his overall remuneration be doubled i.e. from Rs.3,50,000 per month to Rs.7,00,000 per month w.e.f. 1st April, 2014 till the end of his tenure i.e. 14.07.2015 by passing a Special Resolution.

The Nomination and Remuneration Committee in its meeting held on 14.11.2014 has recommended the aforesaid managerial remuneration and the Board in its meeting held on 15.11.2014 has accepted the recommendation of the Committee.

Further, his tenure as Chairman & Managing Director has expired on 14th July, 2015.

It is desired to re-appoint him as Chairman and Managing Director of the Company for a further period of three years w.e.f. 15.07.2015 to 14.07.2018 with the same remuneration and perquisites as mentioned in the special resolution.

Dr. L. K. Malhotra has been in association with the Company since its inception in 1980 and he is one of the major Promoters and founding fathers of the company. During his tenures, your company has not only progressed but also excelled and achieved International Standard. Under his vision and administrative guidance, CHL International, subsidiary company of CHL Limited was floated and a Five Star Hotel in Dushanbe, Tajikistan has been constructed. Now it is in operation under the name and style "SHERATON, DUSHANBE".

The Nomination and Remuneration Committee in its meeting held on 25.05.2015 has recommended the aforesaid appointment and managerial remuneration and the Board has accepted its recommendation in its Board Meeting held on 25.05.2015 and further the Board recommends his appointment and remuneration.

Except Mr. Luv Malhotra, Ms. Kajal Malhotra, Mr. D. V. Malhotra and Mr. A. K. Malhotra, none of the Directors and Key Managerial Personnel of the company 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: 11th August, 2015

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