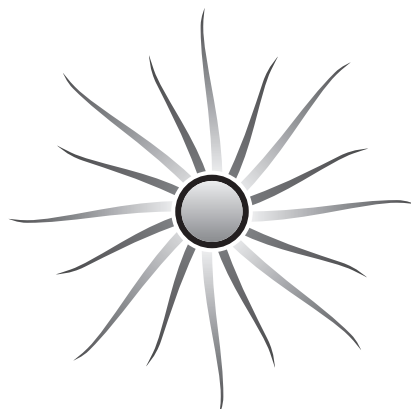




**CHL LIMITED**

**ANNUAL REPORT  
2017 - 2018**



THE  
**SURYAA**  
— SERVICE SO MEMORABLE —





## CHL LIMITED

### 39th Annual General Meeting

Date	:	19th September, 2018
Day	:	Wednesday
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. Luv Malhotra - Joint Managing Director  
Mr. Gagan Malhotra - Executive Director  
Mr. A. K. Malhotra  
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](mailto:cs@chl.co.in)

### Vice-President Finance & CFO

Mr. N.K. Goel  
Email: [nkgoel@chl.co.in](mailto:nkgoel@chl.co.in)

### Statutory Auditors

DGA & Co.  
Chartered Accountants  
G-6, Dhawandeep Apartment  
6, Jantar Mantar Road  
New Delhi-110 001  
Email: [devkagarwal@rediffmail.com](mailto:devkagarwal@rediffmail.com)

### Internal Auditors

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

### Bankers

Andhra Bank  
Bank of Baroda  
HDFC Bank Ltd.  
ICICI Bank

### 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](mailto: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](mailto:chl@chl.co.in)  
Website : <http://www.chl.co.in>



## NOTICE

**NOTICE is hereby given that the 39th Annual General Meeting of the Members of CHL Limited will be held on Wednesday, the 19th September, 2018 at 12.30 P.M. 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
  - (a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018 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, 2018 and the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar 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 reappointment.

### Special Business

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

RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, including Schedule V of the Act, the consent of the Company be and is hereby accorded to the re-appointment of Dr. Lalit Kumar Malhotra as Chairman & Managing Director whose tenure is expiring on 14.07.2018, for a period of three years commencing from 15.7.2018 to 14.07.2021 and to the payment of overall remuneration to Dr Lalit Kumar Malhotra as under:

#### Overall Remuneration:

Subject to the provisions of Section 197 and other applicable provisions 197, 198 and 203 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. Subject to Schedule V of the Companies Act, 2013, in any Financial Year during the tenure of Dr. Lalit Kumar Malhotra, Chairman and Managing Director, if the Company has no profit or its profits are inadequate, the remuneration payable to Dr Lalit Kumar Malhotra, Chairman and Managing Director, of the Company shall be as under w.e.f. 15.07.2018 till the end of his tenure i.e. 14.07.2021.

#### 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.

**Provident Fund, Superannuation & Gratuity:** 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-imbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.

**Leave Travel Concession:** First class airfare for self and family, once a year to any destination amount not exceeding one month's basic salary

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 any time and vary the terms and conditions of the remuneration to be paid in the absence of profit 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, usual, proper or expedient to give effect to the aforesaid resolution.

**By Order of the Board**

Place : New Delhi  
Date : 08th August , 2018

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 13th September, 2018 to 19th September, 2018 (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 125 the Companies Act 2013, Dividends declared for the Financial Year 2010-11 (Final Dividend), 2011-12 (Interim and Final Dividend), 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 2010-11 will be transferred to Investors Education and Protection Fund in the month of October, 2018. As such it will not be possible to entertain dividend claim after September, 2018.
6. 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 2017-18 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 15th September, 2018 at 10.00 AM and end on 18th September, 2018 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. 12/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders /Members"
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
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> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>RA00000001 in the PAN field.</li> <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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the "CHL LIMITED" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If demat Account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 Corporate.
  - 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.
- (xx) 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 casted 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 Mr. Arvind Chadha, Practicing Company Secretary (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. 19th day of September, 2018. 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 favor 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 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 39th AGM is given elsewhere in the Annual Report.

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

**Item No. 4**

In the 36th Annual General Meeting of the Company, Dr Lalit Kumar Malhotra was reappointed as Chairman and Managing Director of the Company for a period of three years commencing from 15.07.2015 to 14.07.2018 and he completes his current tenure on 14.07.2018, and it is proposed to reappoint him for a further period three years beginning 15.07.2018 to 14.07.2021 in the Board Meeting held on 28th May, 2018.

Dr. Lalit Kumar 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 excellent guidance our Hotel at Tajikistan was successfully completed in the year 2014 and it is fully operational moving towards profitability. He has been instrumental in the overall growth the Company could achieve over the last more than three decades.

Your Directors are of the opinion that it will be in the Company's interest to reappoint him and his continued association with the Company will provide continuity of leadership at the challenging times.

The Nomination and Remuneration Committee in its meeting held on 28.05.2018 has recommended his appointment and remuneration.

**By Order of the Board**

G.J. Varadarajan  
Company Secretary

Place: New Delhi  
Date: 08th August, 2018

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT FORTH COMING ANNUAL GENERAL MEETING

Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Name of the Director	Mr. Ashok Kumar Malhotra	Ms. Kajal Malhotra	Dr Lalit Kumar Malhotra
Date of Birth	07.10.1949	22.09.1970	07.02.1944
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	15.07.1985	09.02.2015	25.10.1980
Qualifications	Graduate	M.A. LLB	Hon'y Ph.D in Business Management
Expertise in specific functional area	Hotelier and has rich and vast Business experience	Very good grip in finance & Legal fields	More than three decades experience in the hospitality industry. He 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.
Number of shares held in the Company	4,000 equity shares of Rs. 2/- each	5,000 equity shares of Rs. 2/- each	*2057680 equity shares of Rs. 2/- each
List of Directorship 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.	Malbros Holdings Private Limited Kyjol Projects Private Limited Sunkalp Portfolio Investments Private Limited Mohan Meakin Ltd. Mohan Rocky Springwater Breweries Ltd. CHL International (Incorporated in Tajikistan)
Chairman/Member in the Committees of the Board of other companies in which he is Director	Nil	Nil	Mohan Meakin Ltd. a) Audit Committee - Chairman b) Stakeholders Relationship Committee—Chairman c) Nomination & Remuneration Committee—Chairman
Relationship between Directors Inter-se	Brother of Dr. L.K. Malhotra	Daughter of Dr.Lalit Kumar Malhotra and Sister of Mr. Luv Malhotra	Brother of Mr. Ashok Kumar Malhotra and Father of Ms. Kajal Malhotra and Mr Luv Malhotra

\*1839000 equity shares of Rs.2/- each is held by Ultima Leasing & Financing through its partner Dr Lalit Kumar Malhotra.



**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the 39th Annual Report of the Company along with the Audited Financial Statements for the Financial Year ended 31st March 2018.

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

Sl. No.	Particulars	2017-18	2016-17
1.	Total Revenue	6433.58	6475.21
2.	Less: Expenses	5110.76	5416.22
3.	Profit before Tax	1322.82	1058.99
4.	Less : Net Tax Expenses	503.87	368.23
5.	Profit after Tax	818.95	690.76
6.	Other Comprehensive Income	4.22	12.26
7.	Total Comprehensive Income	823.17	703.02

The gross revenue of the Company for the year under review at Rs.6433.58 Lacs was lower by 0.64% than that of the previous year's gross revenue at Rs. 6475.21 lacs.

The Profit before tax after depreciation and finance cost at Rs.1322.82 Lacs for the year under review was higher by 24.91% as compared to Rs. 1058.99 Lacs for the previous year.

Net Profit after providing tax for the year under review was Rs.818.95 Lacs as compared to Rs 690.76 Lacs for the previous year, thus higher by 18.56% over the previous year.

The total comprehensive income for the year under review was Rs.823.17 Lacs as compared to Rs.703.02 Lacs for the previous year, thus higher by 17.09% over the previous year.

**2. FIRST-TIME ADOPTION OF IND AS**

The Financial Statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2018, the Company prepared its Financial Statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2018, together with the comparative period data as at and for the year ended 31st March 2017. In preparing these Financial Statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS.

**3. DIVIDEND**

In view of the pending adjudication in Economic Court of Tajikistan as well as National Company Law Appellate Tribunal, your Company, being a Corporate Guarantor to the Loan availed by your subsidiary Company CHL International from EXIM Bank, has to seek prior permission from the EXIM Bank for declaration of Dividend. The EXIM Bank as per the normal practice would not agree to give prior permission for it. Hence your Directors are constrained not to recommend any Dividend for the year under review.

**4. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

In the 36th Annual General Meeting, Dr. Lalit Kumar Malhotra (DIN : 00213086) was reappointed as Chairman and Managing Director of the Company for a period of three years commencing from 15.07.2015 to 14.07.2018 and he completes his current tenure on 14.07.2018 and it is proposed to reappoint him for a further period beginning from 15.07.2018 to 14.07.2021.

Pursuant to the provisions of Section 203 of the Act, Dr. Lalit Kumar Malhotra, Chairman & Managing Director, Mr. Luv Malhotra, Joint Managing Director, Mr. Gagan Malhotra, Executive Director, Mr. Narender Kumar 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. SUBSIDIARY COMPANY**

Your 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.

Pursuant to the case filed by CHL International, our subsidiary Company against the Export-Import Bank of India (EXIM Bank), in the Economic Court of Dushanbe, Tajikistan, the case was decided by the Court vide its Order dated 01/05/2018 wherein the claims made by

CHL International were partly accepted and the EXIM Bank inter alia was directed to reconcile the account, amend the loan agreements and to disburse the balance principal amount. During the pendency of above case filed by CHL International, the EXIM Bank initiated the proceedings under IBC and filed petition before Hon'ble National Company Law Tribunal (NCLT) against CHL Limited, being the Corporate Guarantor of the Loan. Vide order dated 11/01/2018 the NCLT dismissed the case filed by EXIM Bank. Pursuant to the dismissal, the EXIM Bank filed an appeal before Hon'ble Company Law Appellate Tribunal (NCLAT) and the same is pending adjudication.

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 provision 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

## **7. 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. During the financial year 2017-18 no complaint was received on sexual harassment.

## **8. WHISTLE BLOWER /VIGIL MECHANISM**

In pursuant to the provisions of Section 177(9) and (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.

## **9. EXTRACT OF ANNUAL RETURN**

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

## **10. 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.

## **11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Your Directors would like to inform that no material changes and commitments have occurred between the end of the financial year under review and the date of this report that may adversely affect the financial position of the Company.

## **12. CONSOLIDATION OF FINANCIAL 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.

## **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 2017-18, 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 2018-19 to BSE Limited (BSE), where the Company's Shares are listed.

## **16. (a) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information pursuant to Section 197 (12) of the Act, read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, in respect of directors, key managerial personnel and employees of the