

ANNUAL REPORT FOR THE YEAR 2009-2010

HOWARD HOTELS LIMITED

CORPORATE INFORMATION

Board of Directors

Chairman & Managing Director

Nirankar Nath Mittal

Executive Directors

Nirvikar Nath Mittal
Shri Kant Mittal

Non-Executive Directors

Uday Bhan Singh Sikarwar
Rakesh Kumar Agarwal
Pawan Kumar

Statutory Auditors

P. C. Bindal & Co.

Chartered Accountants
718/21, Joshi Road, Karol Bagh,
New Delhi-110 005

Secretarial Auditors

Satyendra Sharma & Associates

IInd Gali, Pt. Jangjeet Nagar, Rajpur,
Agra-282001

Bankers

Punjab National Bank
HDFC Bank Limited
Canara Bank
IDBI Bank Limited

Registrar & Share Transfer Agent

Link Intime India Private Limited

A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028

Registered Office

Howard Hotels Limited

805, New Delhi House,
27, Barakhamba Road,
New Delhi-110001

Corporate Office

Hotel Howard Park Plaza
Fatehabad Road,
Agra-282001

Company's Website: www.sarovarhotels.com

Email-Id: hpp@sarovarhotels.com
cs@howardhotelslimited.com

:(0562)-4048600-699

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st (Twenty First) Annual General Meeting of **HOWARD HOTELS LIMITED** will be held on Friday, September 17, 2010 at the Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi -74 at 10.00 A.M. to transact the following business:

Ordinary business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Pawan Kumar, who retires by rotation and is being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shri Kant Mittal, who retires by rotation and is being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration and to pass following resolution thereof:

“Resolved that M/s P. C. Bindal & Co., Chartered Accountants be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.”

Notes:

1. The register of the members and share transfer books of the Company shall remain closed from Tuesday, September 14, 2010 to Friday, September 17, 2010 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument appointing the proxy must reach the registered office of the Company, NOT LATER THAN 48 HOURS before the time fixed for holding the meeting.
3. Corporate members are requested to send a duly certified copy of the Board resolution authorizing representative to attend and vote at the annual general meeting.
4. Members/ proxies should bring the attendance slip sent herewith duly filled in for attending the meeting along with their copies of annual reports to the meeting.
5. Members desiring any information on the accounts are requested to write to the Company at its registered office at least 6 days before the date of the Annual General Meeting to enable the management to collect and keep the information ready.
6. Members are requested to kindly notify the company of any change in their address so as to enable the Company to address future communication to their changed addresses.
7. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
8. Details of additional Directors/Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Pawan Kumar	Shri Kant Mittal
Date of Birth	01/04/1961	26/03/1976
Date of appointment	15/03/2004	04/01/2003
Qualifications	Post Graduate	M.Com.
Expertise in specific functional areas	Marketing	Hotel & Tourism
List of other Indian Public Limited Companies in which Directorship held as on 31.03.2010	NIL	NIL
Shareholdings in the company as on 31.03.2010	NIL	62000

Place: Agra
Date: August 9, 2010

Registered office:
Howard Hotels Limited
805, New Delhi House,
27, Barakhamba Road,
New Delhi-110001

By order of the Board

Sd/-
Pallavi Agarwal
(Company Secretary)

DIRECTORS' REPORT

TO THE MEMBERS,

We are delighted to present the 21st Annual Report together with the Audited Accounts and Auditor's Report of the Company on the business and operations of the Company for the financial year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

A summarized position of the profits/losses and taxation for the year under review as compared to the previous year is given below:

PARTICULARS	(Rs. In Lacs)	
	CURRENT YEAR	PREVIOUS YEAR (2009-2008)
1. Total Income	892.25	822.98
Less: i) Operating, Administrative & other Exp.	653.32	627.59
2. Earning before interest and depreciation	238.93	195.39
Less: i) Interest	38.44	48.89
ii) Depreciation	54.57	56.43
3. Profit before Tax	145.92	90.07
Less: provision for Tax		
i) Current	24.94	9.13
ii) Wealth	0.14	0.15
iii) Deferred	50.47	31.72
iv) Fringe Benefit	-	1.39
v) Earlier Year	0.47	1.13
vi) MAT Credit	(24.94)	(9.13)
4. Profit after Tax	94.84	55.68
Add: Balance of Profit as per last Balance Sheet	(22.13)	(77.81)
5. Balance available for appropriation	72.71	(22.13)

COMPANY'S PERFORMANCE

During the year under review, the Company has total revenues of Rs. 892.25 Lacs as compared to Rs. 822.98 Lacs during the previous year. The net profit for the year under review has been Rs.94.84 Lacs as against Rs. 55.68 Lacs during the previous year. It shows increase of 70% in the net profit of the Company. Your directors are continuously looking for avenues for future growth of the Company in Hotel Industry.

PUBLIC ANNOUNCEMENT OF OPEN OFFER

Consequent on the approval of shareholders, 18,00,000 convertible warrants were issued to Promoter group carrying the rights to subscribe to equal number of Equity Shares of the Company on conversion within a period of 18 months from the date of allotment. The warrant holders have sent notice to the Company to convert the warrants into equity shares.

As a result of proposed conversion, the shareholding of Promoter Group will increase beyond their present holding of 14.53% thereby triggering the provisions of SEBI(SAST) REGULATIONS.

Therefore, this mandatory public announcement of Open Offer has been given by the promoters on April 08, 2010 to the Equity Shareholders of Howard Hotels Limited for acquisition of 1822640 Equity Shares of the Company representing 20% of the fully paid up expanded equity share capital and voting capital in compliance with Regulations 10 & 11 and other applicable Regulations of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendment thereto.

DIRECTORS

At the ensuing Annual General Meeting Mr. Pawan Kumar and Mr. Shri Kant Mittal, Directors of the Company, will retire by rotation and, being eligible; offer themselves for re-appointment in terms of provisions of Companies Act, 1956 read with Articles of Association of the Company.

AUDITORS

M/s. P. C. Bindal & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the Company are the retiring Auditors and being eligible, offers themselves for re-appointment. The Certificate u/s 224(1B) of the Companies Act, 1956 has been obtained from them and they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. Your directors recommend their reappointment as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

ACCOUNTS & AUDIT

The observations of Auditors in their report, read with the relevant notes to accounts in Schedule-13, are self explanatory and do not require further explanation.

CASH FLOW ANALYSIS

The Cash Flow Statement for the year, under reference in terms of Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges, is annexed with the Annual Accounts of the Company.

DIVIDEND

The Company has decided to plough back its entire profits for future developments. Hence no dividend is recommended for the year under review.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975, during the year under review.

PARTICULARS OF EMPLOYEES

During the year under review, no employee, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down u/s. 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended. Hence the details required under Section 217 (2A) are not given.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, we hereby state:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. that the Directors 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 as at March 31, 2010 and of the profit and loss of the Company for that period;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement, a separate section on Corporate Governance forms part of the Annual Report. A certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is also separately given in Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis of financial condition and results of operation of the Company for the year under review, as required under clause 49 of the Listing Agreement with the stock exchanges, is given separately under the head "Management Discussion & Analysis Report" in Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given as under:

A. Conservation of Energy

The Energy Conservation efforts in the Company are being pursued on a continuous basis and the Company is making its full efforts to minimize wastage and to make optimum utilization of energy.

B. Technology Absorption

The Company is basically involved in the hotel business and as such the required particulars in term of rule 2 are not applicable.

C. Foreign Exchange Earnings & Outgo

(Rs. In Lacs)

	March 31, 2010	March 31, 2009
Total Foreign Currency Encashed	107.00	123.27
Total Foreign Currency Earned	110.93	65.04
Total Foreign Currency Outgo	--	3.27

INDUSTRIAL RELATIONS

The industrial relations remained cordial and peaceful throughout the year in the Company. The Directors wish to place on record their appreciation for the contribution of the workers and officers of the Company at all level.

DEPOSITORY SYSTEMS

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2010, 61.93% of the Company's paid-up capital representing 4528931 Equity Shares is in dematerialized form with both the depositories as compared to 57.38% representing 4196314 equity shares for the previous year ending March 31, 2009.

Your Company has established connectivity with both depositories - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through RTA i.e. M/s. Link Intime India Pvt. Ltd.

ACKNOWLEDGEMENT

The Board acknowledges with gratitude the assistance, co-operation and encouragement extended to the Company by Central Government, State Government, Financial Institutions, SEBI, Stock Exchanges, Custodian, Regulatory/Statutory Authorities, Registrars & Share Transfer Agent and other related Department of Tourism. Your directors thank the customers, client, vendors, dealers, Company's bankers and other business associates for their continuing support and unstinting efforts in the Company's growth. The Board also wishes to place on record their deep appreciation for the commitment displayed by all the executives, officers and staff, resulting in successful performance during the year. The company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors are also thankful to the stakeholders, shareholder and depositors for their continued patronage.

For & on behalf of Board of Directors

Place: Agra
Date: August 9, 2010

Sd /-
(Nirankar Nath Mittal)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Hospitality is about serving the guests to provide them with “feel good effect”. In India, the guest is treated with utmost warmth and respect and is provided the best services. India is an ideal destination for tourists. Approximately 4.4 million tourists visit India every year. Indian hotel chains are also expanded internationally. Thus the growth prospects are very high.

INDUSTRY STRUCTURE AND DEVELOPMENT

Global and Indian Economy

On the back of the global economic revival and the positive indicators emerging worldwide, the Indian economy has shown remarkable signs of improvement in recent months, with the promise of even better performance going ahead. Founded on a core of strong fundamentals, the Indian economy continued to post robust growth during the year, clocking a Gross Domestic Product (GDP) growth rate of around 7.5%. The situation is expected to be even better in the months to come and the World Bank’s ‘Global Economic Prospects 2010: South Asia’, in fact, has predicted that economic growth next year will be strongest in developing countries, especially in Asia.

In a post-Budget statement, India’s Finance Minister Pranab Mukherjee expressed confidence that the measures announced in the Budget for 2010-11 would revive private investment and put the economy back on a 9% growth trajectory. The International Monetary Fund (IMF) has gone even further in its World Economic Outlook (WEO) to peg India’s growth during FY11 at 9.5% as robust corporate profits and favourable financing conditions fuel investment.

The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9%. The economy is estimated to have grown at 7.2% in 2009-10 with the industrial and the service sectors growing at 8.2% and 8.7%, respectively.

As per the International Monetary Fund the advanced economies are expected to grow by 2.1% in 2010 while in the case of emerging and developing economies a rise of about 6% in 2010 is expected. The world as a whole is projected to grow 3.9% in 2010 driven by the extraordinary amount of monetary and fiscal stimulus.

An Overview of the Global & Indian Tourism Industry

The long term performance of the Indian Hotel Industry is linked to microeconomic factors related to general health of the economy and to micro market-specific, supply-demand gaps. ICRA expects demand in the long term to be driven by increasing travel volumes in tourist travel and rising affluence and improving lifestyles of the traveling population (which drive demand for branded rooms and quality F&B).

As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world’s attractive destinations. It is ranked the 14th best tourist destination for its natural resources and 24th for its cultural resources, with many World Heritage sites, both natural and cultural, rich fauna, and strong creative industries in the country. India also bagged 37th rank for its air transport network. The India travel and tourism industry ranked 5th in the long-term (10 year) growth and is expected to be the second largest employer in the world by 2019.

However, Indian fiscal deficit increased from the end of 2007-08, reaching 6.8% of GDP in 2009-10. A delayed and severely subnormal monsoon added to the overall uncertainty. The continued recession in the developed world, for the better part of 2009-10, meant a sluggish export performance and a slowdown in financial flows into the economy. Yet, over the span of the year the economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

CONTRIBUTION TO THE ECONOMY

Combining unparalleled growth prospects and unlimited business potential, the industry is certainly on the foyers towards being a key player in the nation's changing face. The hotel and tourism industry's contribution to the Indian economy by way of Foreign Direct Investments (FDI) inflows were pegged at US\$ 2.1 billion from April 2000 to March 2010, according to the Department of Industrial Policy and Promotion (DIPP).

According to the Travel & Tourism Competitiveness Report 2009 brought out by the World Economic Forum, the contribution of travel and tourism to GDP is expected to be at US\$ 187.3 billion by 2019. The report also states that real GDP growth for travel and tourism economy is expected to achieve an average of 7.7 per cent per annum over the next 10 years. Export earnings from international visitors and tourism goods are expected to generate US\$ 51.4 billion (nominal terms) by 2019. Furthermore, the sector which accounted for 6.4 per cent of total employment in 2009 is estimated to rise to 7.2 per cent of total employment by 2019. The hotel and hospitality industries are among the biggest employment generators in the country.

FOREIGN TOURIST ARRIVALS

Hotel Industry depends largely upon the Foreign Tourist Arrivals. As per the press release by Press Information Bureau dated 4th March, 2010, the monthly estimates for February 2010, compiled by the Ministry of Tourism on two important indicators of tourism sector, Foreign Tourist Arrivals (FTAs) and Foreign Exchange Earnings (FEEs) were as follows:

- FTAs during the Month of February 2010 were 601,000 as compared to FTAs of 547,000 during the month of February 2009. A growth of 9.9 per cent was registered in February 2010 over February 2009.
- FTAs during the period January-February 2010 were 1,092,000 with a growth rate of 12.7 per cent, as compared to the FTAs of 968,000 during January-February 2009.
- FEE during the month of February 2010 were US\$ 1.4 billion as compared to US\$ 923 million during the month of February 2009.
- The growth rate in US\$ terms in FEE touched in February 2010 over February 2009 was 55.4 per cent.

OPPORTUNITIES & STRENGTHS

India has a rich cultural heritage. The "unity in diversity" tag attracts most tourists. Taj Mahal in Agra is the most popular monument in India which attracts highest tourist's strength which is the plus point for your Company. Foreign hospitality players are heading towards Indian markets. Indian hotel industry is facing a mismatch between the demand and supply of rooms leading to higher room rates and occupancy levels. With the privilege of Hosting Commonwealth 2010, there will be more demand of rooms in hotels. It is expected that around 100 thousand persons would be visiting during the games. A series of promotional initiatives were taken to minimize the negative impact of the global economic slowdown and terrorist attack in Mumbai, which had an adverse effect on tourism in the country. This had led to the rapid expansion of the sector. India's share in international tourism and hospitality market is expected to increase over the long term.

RISK AND CONCERNS

Hotel business in general is sensitive to fluctuations in the economy. The hotel sector may be unfavorably affected by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. Since demand for hotels is affected by world economic growth, a global recession could lead to a downturn in the hotel industry. In addition to economic risks, your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities etc., which may affect the level of travel and business activity. The lack of adequate recognition for the tourism industry has been hampering its growth prospects. Whatever steps are

being taken by the government are implemented at a slower pace. The aftermath of the terror attack on the city of Mumbai in November, 2008 saw a challenging and difficult 2009-10 for the tourism and hospitality industry. The industry is witnessing heightened competition with the arrival of new players, new products and new systems. The competition from neighboring countries and negative perceptions about Indian tourism product constraints the growth of tourism. The image of India as a country overrun by poverty, political, safety concerns and diseases also harms the tourism & hospitality industry. One of the greatest challenges plaguing the hospitality industry is the unavailability of quality workforce in different skill levels.

GOVERNMENT INITIATIVE

According to the Consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India, the government has allowed 100 per cent Foreign Investment under the automatic route in the hotel and tourism related industry.

Furthermore, banking on the government's initiative of upgrading and expanding the country's infrastructure like airports, national highways etc., the tourism and hospitality industry is bound to get a bounce in its growth. Initiatives like massive investment in hotel infrastructure and open-sky policies made by the government are all aimed at propelling growth in the hospitality sector. The Ministry of Tourism has sanctioned 94 projects for an amount of Rs.394.85 Crore for infrastructure augmentation including rural tourism projects in the year 2009-10. The External Commercial Borrowing (ECB) norms have been relaxed by Ministry of Finance to solve the problem of liquidity being faced by the hotel industry due to economic slow down. "Incredible India" events were organized in Russia in September, 2009 as part of the celebrations of the "Year of India in Russia" and a major India promotion event "India Calling" organized in association with the National Geographic Society at Hollywood Bowl and California Plaza in Los Angeles in September 2009.

FUTURE TRENDS & OUTLOOK

In the longer term, the growth potential is significant as evident from the continued global interest in the Indian hospitality Industry. With the huge figure of 4.4 million visitors every year, India is fast becoming the hottest tourist destination in the region. Growth in tourism will definitely lead to boom in hotels and restaurants. Tourism is playing a pivotal role in growth of hotel industry.

The travel and hospitality industry continues to be the sector, which has largely profited from the fast growing economy of India. Though FY 09 had been tough year with tourist inflow declining by 4% YoY on account of economic slowdown and terror attacks, it has been grown at a CAGR of 13%. Tourism as an instrument of economic development and employment generation particularly in remote and backward areas is well recognised the world over. It is a large service industry globally and plays an important role in achieving growth with equity.

Therefore, your Company is also being expected to grow in the next coming years.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company's business activity falls within a single primary business segment viz. Hotel at Agra as such; there are no separate reportable segments as per Accounting Standard 17.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system commensurate with its size and nature of business. Your Company's internal auditor carryout audit of the transactions of the Company, in order to ensure that recording and reporting are adequate and proper. The Audit Committee of the Board reviews the important observations of the Internal Audit. The Audit Committee of the Company meets periodically to review and recommend quarterly and annual financial statements of the Company.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company with respect to operational performance has been steadily improving ensuring the Company's commitments of servicing its obligations for meetings its interest and principle repayments to financial Institutions / Banks and with a long term objective of shareholder's value.

HUMAN RESOURCES

In the service oriented industry the employee plays a key role in customer satisfaction and its most valuable resource. Adequate number of technically qualified and well experienced staff exists for the day-to-day operations of the Company. The Management' constant focus on employee engagement and satisfaction has contributed key talents in the businesses. Creativity & dedication of all the employees represent the most precious assets of the Company. The industrial relations continue to be cordial.

APPRECIATION

Your directors express their warm appreciation to all the employees for their diligence and contribution. Your Directors also wish to record their appreciation for the support and co-operation received form the dealers, business associates, agents, suppliers and the banks.

For & on behalf of the Board of Directors

Sd /-

(Nirankar Nath Mittal)

Chairman & Managing Director

Place: Agra

Date: August 9, 2010

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with the stock exchanges, the Company hereby submits the report on matters as mentioned in the said clause and Corporate Governance practices followed by the Company. This section besides being in compliance of the mandatory listing requirement gives an insight into the process of functioning of the Company.

COMPANY'S PHILOSOPHY

The Board of Directors of the Howard Hotels Limited believes in and fully supports to the principles of Corporate Governance. Corporate Governance refers to a set of laws, regulations, rules, process, and practices by which businesses are operated, regulated, and controlled. This includes Company's corporate and other structures, culture, policies and the manner in which it deals with various stakeholders. Corporate Governance is a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. The company is ensuring best principles of Corporate Governance by ensuring disclosure of material information, integrity of financial reporting and sound investor relation. The main objective of the company is to follow practices of good Corporate Governance in order to safeguard the interest of the Company and its shareholders. We always seek to ensure that we attain our good performance with integrity and transparency. We want to honor and maintain the trust placed in us by investors, financial markets, business partners, employees and the general public and to continuously improve Corporate Governance. Therefore, good Corporate Governance is integral part to the Company's value system.

BOARD OF DIRECTORS

A. BOARD COMPOSITION

The Company has an optimum combination of Executives and Non-executives with fifty percent of independent directors, in conformity with clause 49 of listing agreement, to maintain the independence of the board and to separate the board functions of governance and management. On the date of this report, the composition of the Board of the Directors is as under:

Name of Director	Designation	Category
Nirankar Nath Mittal	Chairman & Managing Director	Executive
Nirvikar Nath Mittal	Whole Time Director	Executive
Shri Kant Mittal	Whole Time Director	Executive
Rakesh Kumar Agarwal	Director	Non Executive & Independent
Pawan Kumar	Director	Non Executive & Independent
Uday Bhan Singh Sikarwar	Director	Non Executive & Independent

B. BOARD MEETINGS

During the financial year ended March 31, 2010, 8(Eight) meetings of the Board were held, as follow:

S. No.	Dates of Board Meeting	Board strength	No. of directors present
01.	April 30, 2009	6	6
02.	June 25, 2009	6	5
03.	July 30, 2009	6	5
04.	October 13, 2009	6	6
05.	October 30, 2009	6	6
06.	January 29, 2010	6	5
07.	February 18, 2010	6	6
08.	March 12, 2010	6	5

The maximum time gap between two meetings was not more than 4 calendar months.

C. ATTENDANCE OF DIRECTORS

The detail of Director's attendance in the Board Meeting and in the last AGM of the Company is as follow:

S. No.	Name of Director	No. of Board Meeting attended out of 8 held during the year	Attendance at the last AGM
01.	Nirankar Nath Mittal	8	χ
02.	Nirvikar Nath Mittal	8	√
03.	Shri Kant Mittal	8	χ
04.	Rakesh Kumar Agarwal	8	√
05.	Pawan Kumar	6	√
06.	Uday Bhan Singh Sikarwar	6	χ

D. DIRECTORSHIP AND CHAIRMANSHIP/MEMBERSHIP

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. The detail of no. of directorship of each director in other Public Company and membership & chairmanship in the Company's Committees and other Public Company's Committees are as under:

Name of Director	*No. of directorship in other public companies	In committees of the Company		**In committees of other public companies	
		Chairmanship	Membership	Chairmanship	Membership
Nirankar Nath Mittal	NIL	-	-	NIL	NIL
Nirvikar Nath Mittal	NIL	-	-	NIL	NIL
Shri Kant Mittal	NIL	-	1	NIL	NIL
Rakesh Kumar Agarwal	NIL	1	2	NIL	NIL
Pawan Kumar	NIL	0	3	NIL	NIL
Uday Bhan Singh Sikarwar	NIL	2	3	NIL	NIL

* The directorship held by directors do not include alternate directorship and directorship of foreign Companies, section 25 Companies & private limited Companies.

** In accordance with clause 49 of the Listing Agreement, membership/chairmanship of only the Audit Committee and Shareholders/Investors Grievance Committee of all Public Ltd. Companies have been considered.

BOARD COMMITTEES

The Company has 3 Board Level Committees. All decisions and recommendations of the Committees are placed before Board for information and approval. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

- A. Audit Committee
- B. Remuneration Committee
- C. Share Transfer & Investor Grievance Committee

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted as per provisions of clause 49 of the Listing Agreement and under section 292A of the Companies Act, 1956.

i. TERMS OF REFERENCE

The terms of references of the Audit Committee are include recommending the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor's and the fixation of audit fees, approval of payment to Statutory Auditors for any services rendered by the Statutory Auditors, review of quarterly, half yearly and yearly financial statements, review of financial and risk management policies of the Company, review of adequacy of Internal Control Systems, review of Annual budget and variance reports, review of Audit reports including internal audit reports and review of Management discussion and analysis of financial conditions and results of operations.

ii. COMPOSITION

Presently, the Audit Committee consists of three directors as members. All the three members of the committee, including its Chairman, are Non-Executive and Independent Directors. The composition of Audit Committee is as under:

Mr. Rakesh Kumar Agarwal	Non-Executive & Independent	Chairman
Mr. Pawan Kumar	Non-Executive & Independent	Member
Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent	Member

iii. MEETING AND ATTENDANCE

During the financial year ended March 31, 2010, 4 (Four) meetings of the Audit Committee were held, as follows:

S. No.	Date	Committee Strength	No. of Members present
01.	April 27, 2009	3	3
02.	July 22, 2009	3	3
03.	October 24, 2009	3	3
04.	January 25, 2010	3	3

The attendance details of the each member are given as under: -

Name of Members	No. of Meetings Attended
Mr. Rakesh Kumar Agarwal	4
Mr. Pawan Kumar	4
Mr. Uday Bhan Singh Sikarwar	4

B. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee. The broad terms of reference of the committee is to review the structure of remuneration which is being paid to the company's Managing Director / Whole Time Director / Non Executive Director so as to ensure that the said remuneration is within the overall limits and ceiling fixed by the Members.

i. COMPOSITION

Presently, the Remuneration Committee consists of three directors as members. All the three members of the committee, including its Chairman, are Non-Executive and Independent Directors. The composition of Remuneration Committee is as under:

Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent	Chairman
Mr. Pawan Kumar	Non-Executive & Independent	Member
Mr. Rakesh Kumar Agarwal	Non-Executive & Independent	Member

ii. MEETING AND ATTENDANCE

During the financial year ended March 31, 2010, 3 (Three) meetings of the Remuneration Committee were held. The attendance details of the each member are given as under: -

NAME OF MEMBERS	NO. OF MEETINGS ATTENDED
Mr. Uday Bhan Singh Sikarwar	3
Mr. Pawan Kumar	3
Mr. Rakesh Kumar Agarwal	3

iii. REMUNERATION POLICY

All the Executive Directors receive remuneration while Non-Executive Directors receive sitting fees of Rs. 250.00 per meeting for attending the meeting of the Board of Directors. The details of the remuneration paid to the Directors during the financial year 2009-2010 are as under:

										(Rs. In Lac)
Name	Designation	Tenure of appointment	Salary and Allowance	Sitting fees	Perquisi-tes	Contribution to Provident and other funds	Comm-ission	Total		
Mr. Nirankar Nath Mittal	Chairman & Managing Director (Executive)	3 years w.e.f. 16.10.2008	23,40,000	Nil	NIL	NIL	NIL	23,40,000		
Mr. Nirvikar Nath Mittal	Whole Time Director	3 years w.e.f. 07.09.2008	21,60,000	Nil	NIL	NIL	NIL	21,60,000		
Mr. Shri Kant Mittal	Whole Time Director	5 years w.e.f. 16.10.2008	15,00,000	Nil	NIL	NIL	NIL	15,00,000		
Mr. Pawan Kumar	Non-Executive & Independent Director	-	NIL	1500	NIL	NIL	NIL	1500		
Mr. Rakesh Kumar Agarwal	Non-Executive & Independent Director	-	NIL	2000	NIL	NIL	NIL	2000		
Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent Director	-	NIL	1500	NIL	NIL	NIL	1500		

Notes:

- The salary and perquisites include all fixed elements of remuneration i.e. salary and other allowances and benefits.
- The Company did not pay bonus and any incentive to the Executive Director.

iv. SHARES AND OPTION TO DIRECTORS

Directors	No. of Shares as on 31st March, 2010	No of option granted during the Financial Year
Nirankar Nath Mittal	121600	NIL
Nirvikar Nath Mittal	109000	NIL
Shri Kant Mittal	62000	NIL
Uday Bhan Singh Sikarwar	35000	NIL
Pawan Kumar	NIL	NIL
Rakesh Kumar Agarwal	NIL	NIL

C. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

In order to give appropriate level of focus to shareholders and investors related matters, the Company has a “Share Transfer and Investor Grievance Committee”.

The main areas and functions of Share Transfer and Investors Grievances Committee basically include redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc, consolidation and sub-division of share certificates, approving the transfer(s), transmission(s) and issue of duplicate share certificates and rematerialisation of the shares and transposition of names.

i. COMPOSITION

Presently, the Share Transfer and Investors Grievance Committee consists of three directors as members out of which two are Non Executive Independent Directors and one is Executive Director. The composition of Remuneration Committee is as under:

Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent	Chairman
Mr. Pawan Kumar	Non-Executive & Independent	Member
Mr. Shri Kant Mittal*	Whole Time Director	Member

**Appointed Member w.e.f. March 31, 2010.*

ii. COMPLAINTS

There were no pending share transfers/ investors’ complaints as on March 31, 2010.

iii. MEETING AND ATTENDANCE

The Committee has been holding regular meeting to ensure compliance with the provisions of the Companies Act, 1956 and the Listing Agreement and ensure proper services to investors. During the financial year ended March 31, 2010, 19 (Nineteen) meetings of the Share Transfer and Investors Grievance Committee were held. The attendance details of the each member are given as under: -

Name of Members	No. of Meetings Attended
Mr. Uday Bhan Singh Sikarwar	19
Mr. Pawan Kumar	19
Mr. Shri Kant Mittal	0

CODE OF CONDUCT

The Company’s Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed Compliance with the Code of Conduct of the Company for the financial year ended March 31, 2010.

**New Delhi
August 9, 2010**

**Nirankar Nath Mittal
Chairman & Managing Director**

CEO / CFO CERTIFICATION

As required by clause 49 (v) of the Listing Agreement, a certificate from CEO and CFO on the financial statements of the Company was placed before the Board in the Board Meeting of the Company held on August 9, 2010 and forms part of this Annual Report and given separately.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Auditor's certificate on compliance of clause 49 of the listing agreement to Corporate Governance forms part of this Annual Report and given separately.

MEANS OF COMMUNICATION

The Quarterly Unaudited Financial Results as approved and taken on record by the Board of Directors of the Company are published during the year under review in one English and one Hindi Newspaper i.e. "Pioneer" and "Veer Arjun" respectively and also submitted promptly to the Stock Exchange with which the Company's equity shares are listed, to enable them to put them on their own web sites.

GENERAL BODY MEETINGS

The Company held its last three Annual General Meeting (AGM) and Extra Ordinary General Meeting (EGM) as under:

Year	AGM/ EGM	Date	Venue	Time	SR Passed
2009	AGM	10.09.2009	The Executive Club c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	NO
2009	EGM	02.03.2009	Hotel Howard Park Plaza Fatehabad Road, Agra-282001	3.30 P.M.	Issue of Convertible warrants on preferential basis
2008	AGM	30.09.2008	The Executive Club c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030	2.00 P.M.	1. Re-appointment of Managing Director 2. Re-appointment of Whole time Director 3. Re-appointment of Whole time Director 4. Voluntary Delisting of Equity Shares from DSE and UPSE 5. Issue of Convertible warrants on preferential basis 6. Alteration in Articles of Association of the Company relating to Authorised Share Capital.
2007	AGM	21.09.2007	The Executive Club c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030	9.30 A.M.	NO

POSTAL BALLOT

For the year ended March 31, 2009, there was no Ordinary and/or Special Resolution that need to be passed by our shareholders through Postal Ballot.

DISCLOSURES

A. RELATED PARTY TRANSACTIONS:

i) Related party transactions as required by the Accounting Standard (AS) 18 on “Related Party Disclosures” have been disclosed at Point No. 5 of Schedule 13 of the Annual Accounts. Member may refer to the notes to accounts for details of related party transactions. However, these are not having potential conflict with the interest of the company at large.

ii) There have been no material transactions during the year 2009-10 that are prejudicial to the interest of the Company.

B. NON-COMPLIANCES, PENALTIES AND STRICTURES BY STOCK EXCHANGES/SEBI/ STATUTORY AUTHORITIES ON ANY MATTER RELATED TO CAPITAL MARKETS

Although the company is compliant w.r.t. all compliance of the Stock Exchanges/SEBI/Statutory Authorities, few lacking were found in the reports filed by the Company under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. Revised reports were filed with the Stock Exchanges. The Company has suo moto filed consent application with SEBI seeking condonation of delay and compounding of defaults. A meeting was held at the office of SEBI, Mumbai, and the Company shall pay the consented amount.

Other than above said no penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to the capital markets, during the last 3 years.

C. WHISTLE BLOWER POLICY

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

D. DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements are prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant requirements of the Companies Act, 1956. Accordingly, the financial statements are prepared under historical cost convention on accrual basis of Accounting and on a going concern basis as mentioned in Point no.1 of schedule 13 of Annual Accounts.

E. DISCLOSURES ON RISK MANAGEMENT

The company has laid down procedures to inform the members of the board about the risk assessment and minimization procedures which is periodically reviewed by the Board.

F. PECUNIARY RELATIONSHIPS OR TRANSACTIONS WITH NON- EXECUTIVE DIRECTORS

There are no pecuniary relationships or transactions with Non-Executive Directors.

G. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis of financial condition of the Company for the year under review, as required under clause 49 of the Listing Agreement with the Stock Exchanges, is given separately under the head “Management Discussion & Analysis Report” in Annual Report.

H. SUBSIDIARY COMPANY

There is no Subsidiary company.

I. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT

All the mandatory requirement have been complied with.

J. STATUTORY AUDIT

The Statutory Auditors of the Company is neither a shareholder of the Company nor a relative of the Director of the Company

K. DISCLOSURE REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

The relevant details form part of the Notice of the Annual General Meeting, annexed to this Annual Report.

GENERAL SHAREHOLDERS INFORMATION

The mandatory various information for the interest to investors are as under:

ANNUAL GENERAL MEETING

Date	Friday, September 17, 2010
Time	10.00 A.M.
Venue	The Executive Club C/o Dolly Farms and Resorts Private Limited 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi-74

FINANCIAL YEAR

The financial year of the company is from April 1 to March 31, each year.

KEY FINANCIAL REPORTING DATES FOR THE YEAR 2009-10

Unaudited Financial Results

1st Quarter	End July, 2009
2nd Quarter	End October, 2009
3rd Quarter	End January, 2010
4th Quarter	End April, 2010

DATE OF BOOK CLOSURE

Tuesday, September 14, 2010 to Friday, September 17, 2010 (both days inclusive)

LISTING ON STOCK EXCHANGES

- i. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Stock code: 526761
- ii. Delhi Stock Exchange Limited
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002

- iii. U.P. Stock Exchange Limited
Padam Towers, 14/113,
Civil Lines,
Kanpur-208 001

** The Listing fees payable to BSE, DSE & UPSE for 2009-10 have been paid in full by the Company.*

** The Company has withdrawn the Delisting Applications from DSE & UPSE which were filed with said Stock exchanges during the year 2009-10.*

COMPLIANCE OFFICER

Name: Pallavi Agarwal
Phone no.: 0562-4048600-699
Facsimile: 0562-4048666
E-mail -Id: cs@howardhotelslimited.com

REGISTRAR & SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

The Company has appointed M/s Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for physical transfer of shares and for electronic mode of transfer under both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The address of RTA for the correspondence is:

M/s Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028
Tel: 011-41410592-94

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical shares which are lodged with the RTA/or with the Company for transfer are proceed and returned to shareholders duly transferred within the time limit stipulated in the Listing Agreement subject to the documents being in order.

As required under clause 47(c) of the Listing Agreement entered into by the Company with the Stock Exchanges, a certificate is obtained in every 6(six) months from a Practising Company secretary with regard to inter alia, effecting transfer, transmission, sub-division, consolidation, renewal etc. within 1 month of their lodgment. The certificate is also forwarded to the Stock Exchanges, where the equity shares of the Company are listed.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are required to be traded in the dematerialized form and are available for trading under both the depository systems in India-NSDL & CDSL. The annual custodian fees for the financial year 2009-10 have been paid to both the depositories i.e. NSDL & CDSL.

The International Securities identification number (ISIN) allotted to the Company's shares under the depository system is INE931B01016.

As on March 31, 2010, 4528931 shares of the company constituting 61.93 % of the paid up capital are in dematerialized form.

For guidance on depository services, shareholders may write to the company or to the respective depositories:

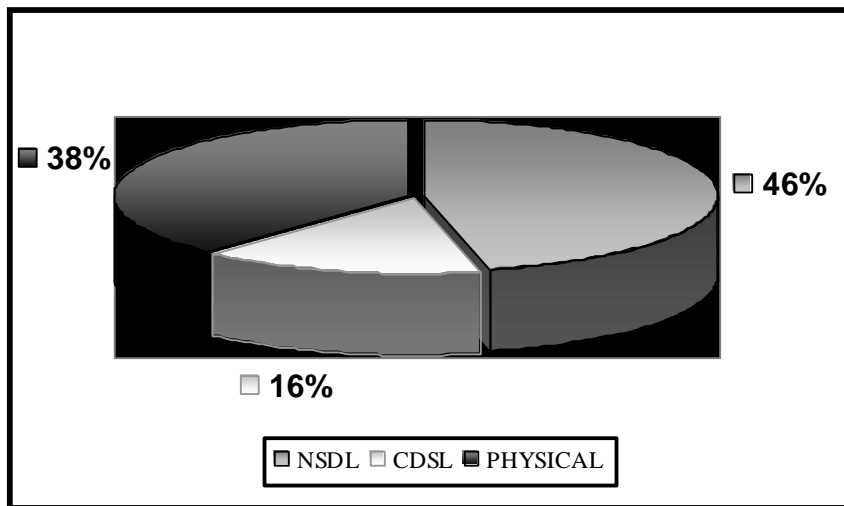
National Securities Depository Limited (NSDL) 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,	Central Depository Services (India) Limited (CDSL) Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street Mumbai – 400001
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Mumbai – 400 013 Telephone: 022 – 2499 4200 Facsimile: 022 – 2497 6351 E-mail: info@nsdl.co.in Website: www.nsdl.co.in	Telephone: 022 – 22723333 Facsimile: 022 – 22723199 E-mail: investors@cdslindia.com Website: www.cdslindia.com
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SHAREHOLDING IN DEMAT & PHYSICAL

The number & % of shares held in physical and dematerialized form as on March 31, 2010 are as under:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	3382121	46.25
CDSL	1146810	15.68
Physical	2784269	38.07
Total	7313200	100



DISTRIBUTION OF SHAREHOLDING

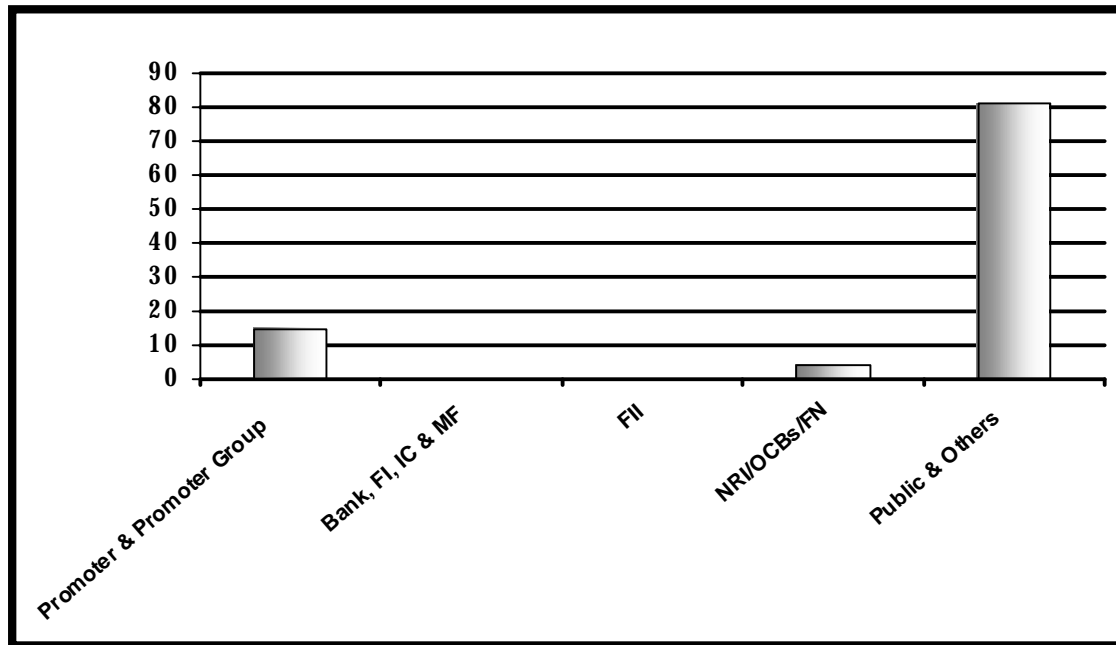
Distribution of shareholding of the Company as on March 31, 2010 is as under:

Range	No. of Shareholders	% of Shareholders	Number of Shares	% of Total Shares
Upto 2500	4653	66.738	698047	9.545
2501-5000	1479	21.213	523147	7.153
5001-10000	534	7.659	403367	5.513
10001-20000	132	1.893	208659	2.853
20001-30000	30	0.430	77921	1.065
30001-40000	22	0.316	75922	1.038
40001-50000	19	0.273	89796	1.228
50001-100000	32	0.459	242464	3.315
100001 & Above	71	1.018	4993877	68.286
Total	6972	100.00	7313200	100.00

CATEGORY OF SHAREHOLDERS

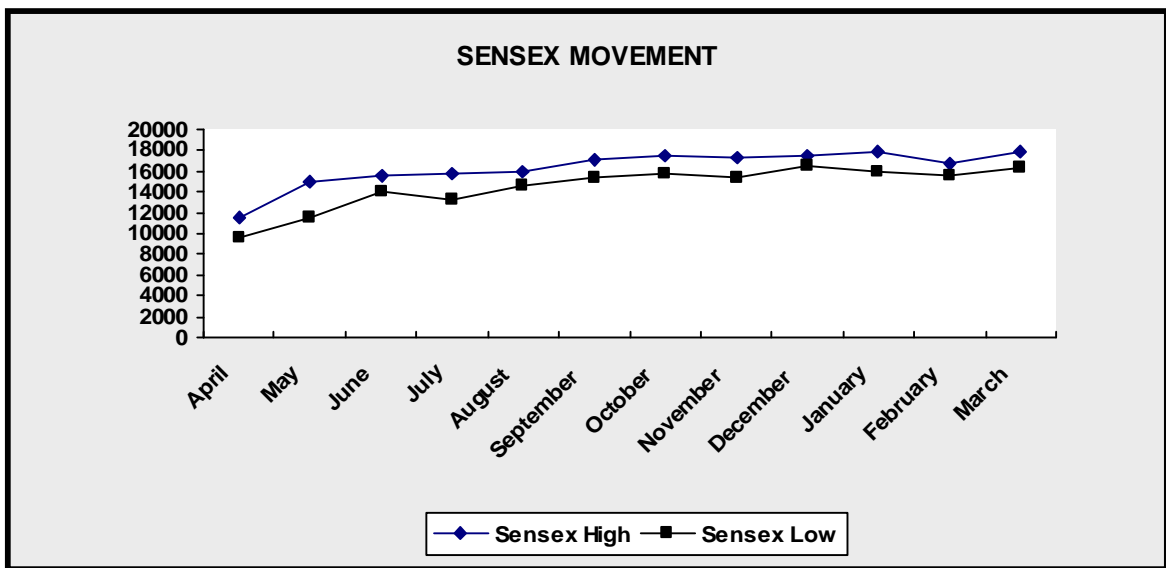
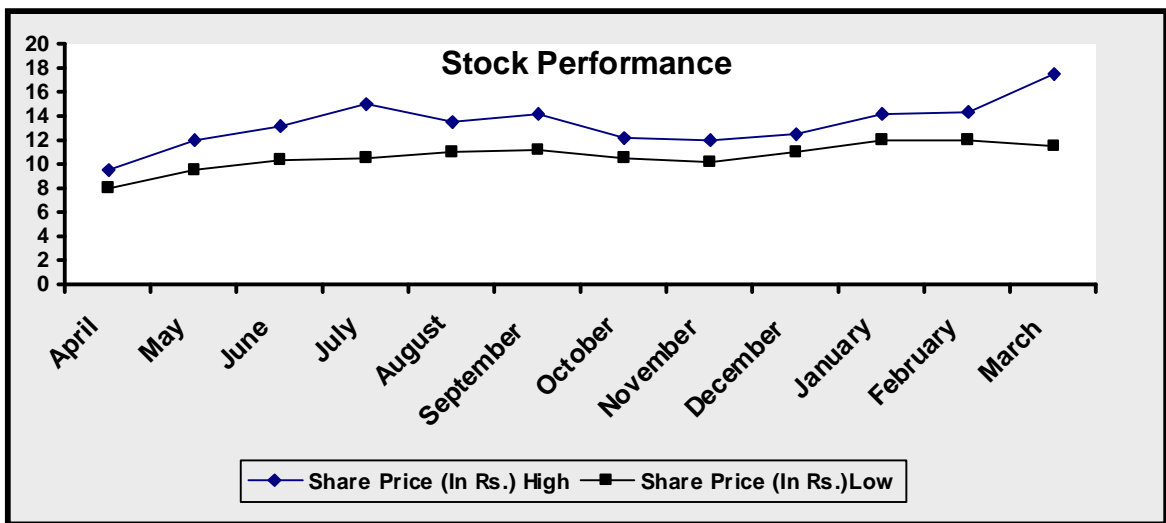
Categories of Shareholders of the company as on March 31, 2010 are as under:

Category	No. of Shares held	Percentage
Promoters & Promoter Group	1062500	14.53
Banks, Financial Institution, Insurance Company and Mutual Fund	NIL	NIL
Foreign Institutional Investors	NIL	NIL
NRIs/OCBs/Foreign Nationals	298200	4.08
Public and Others	5952500	81.39
Total	7313200	100.00



MARKET PRICE DATA ALONGWITH PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (BSE SENSEX)

Month	Share Price at BSE (Rs.)		BSE Sensex	
	High	Low	High	Low
April 09	9.58	8.00	11492.10	9546.29
May 09	12.07	9.50	14930.54	11621.30
June 09	13.11	10.31	15600.30	14016.95
July 09	14.95	10.50	15732.81	13219.99
August 09	13.53	11.00	16002.46	14684.45
September 09	14.15	11.23	17142.52	15356.72
October 09	12.11	10.46	17493.17	15805.20
November 09	11.96	10.11	17290.48	15330.56
December 09	12.50	10.92	17530.94	16577.78
January 10	14.09	12.01	17790.33	15982.08
February 10	14.40	11.99	16669.25	15651.99
March 10	17.56	11.56	17793.01	16438.45



OUTSTANDING ADRS/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company did not carry out any ADRs/GDRs/Warrants or any other convertible instruments except the 18,00,000 warrants issued on preferential basis to the Promoter Group at a price of Rs. 12.25/- each warrants (face value of Rs. 10/- and a premium of Rs. 2.25/-) on March 06, 2009 convertible before the expiry of 18 months from the date of allotment of such warrants. With regard to end use of preferential warrants money received Rs.114.50 Lacs the company has not utilized the same during the year 2009-10 and the same is lying in deposit / current account with scheduled bank of the company.

HOTEL LOCATION

Hotel Howard Park Plaza
Fatehabad Road,
Agra-282001

ADDRESS FOR CORRESPONDENCE

i. Registered Office: Howard Hotels Limited
805, New Delhi House,
27, Barakhamba Road,
New Delhi-110001

ii. Corporate Office: Howard Park Plaza,
Fatehabad Road,
Agra-282001

For & on behalf of Board of Directors

Place: Agra
Date: August 9, 2010

Sd/-
(Nirankar Nath Mittal)
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **M/s. Howard Hotels Limited,**

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges in India for the Financial Year ended on March 31, 2010.

The Compliance of condition of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

We further state that such Compliance is neither an assurance as to the further viability of the Company nor to the efficiency with which the management has conducted the affairs of the Company.

For **P. C. BINDAL & Co.**
Chartered Accountants

New Delhi
August 9, 2010

Sd/-
(V K Gupta)
Partner
M.No. 096422

CEO / CFO CERTIFICATION

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

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2010 and to the best of our knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements 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. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2010 are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or proposes to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

- i. significant change in internal control over financial reporting during the year;
- ii. significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. instances during the year of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
N.N. Mittal
(Chairman & Managing Director)

Sd/-
Nirvikar Nath Mittal
(Whole Time Director)

Place: Agra

Date: August 9, 2010

AUDITORS' REPORT

To,
The Members,
Howard Hotels Limited.
New Delhi

REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2010 IN COMPLIANCE WITH SECTION 227(2) OF THE COMPANIES ACT, 1956.

1. We have audited the attached balance sheet of Howard Hotels Limited as at 31st March, 2010, the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by the law have been kept by the company, so far as appears from our examination of those books ;
 - iii) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
 - iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with this report comply with the accounting standards referred in section 211(3C) of the Companies Act, 1956 ;
 - v) On the basis of the written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 ;
 - vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts , read together with notes to accounts in schedule "12" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010 ;
and
- b) In the case of Profit & Loss Account, of the Profit of the company for the year ended on that date
- c) In the case of Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For P.C. BINDAL & CO.
Chartered Accountants
Sd/-

(CA V. K. Gupta)
Partner
M.No.096422
FRN No. 003824N

PLACE: New Delhi
DATED: August 09, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF HOWARD HOTELS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2010

- i)** **(a)** The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off substantial / major part of fixed assets.
- ii)** **a)** As explained to us, the Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) According to the information & explanation given to us, we are of the opinion that the company is maintaining proper records of inventory. As per records and information made available the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii)** **a)** According to the information and explanations given to us, the company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (a) to (d) of the order are not applicable.

b) According to the information and explanations given to us, the company had taken unsecured loan from fourteen parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 455.26 lacs and the year-end balance of loans taken from such parties was Rs.303.00 lacs.

c) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

d) According to the information and explanation given to us, the payment of principal and interest are regular or as stipulated.
- iv)** In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v)** **a)** According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act, 1956 have been entered into the register maintained under section 301 of the Companies Act, 1956 ; and

b) In our opinion and according to the information and explanations given to us, the company has not made any transactions exceeding rupees five lacs in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (v) (b) of the order are not applicable

- vi)** In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii)** In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii)** According to the information and explanations given to us the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies, 1956 are not applicable to the company.
- ix) a)** According to the information and explanations given to us and according to the books and records produced before us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b)** According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2010 for a period of more than six months from the date they become payable.
- c)** According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute.
- x)** In our opinion, the company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi)** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii)** According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii)** In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xiv)** In our opinion and according to the information and explanations given to us , the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xv)** According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi)** In our opinion, and according to the information and explanations given to us, the company has not taken any term loans during the year.
- xvii)** According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us, on overall basis, funds raised on short term basis have , prima facie, not been used during the year for long-term investment.

- xviii)** According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix)** According to the information and explanations given to us, the company had not issued any debentures during the year.
- xx)** According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- xxi)** According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P. C. BINDAL & CO.
Chartered Accountants
Sd/-

(CA V. K. Gupta)
Partner
M.No.096422
FRN No. 003824N

PLACE: New Delhi
DATED: August 09, 2010

BALANCE SHEET

As at March 31, 2010

PARTICULARS		AS AT MARCH 31, 2010 Amount (Rs.)	AS AT MARCH 31, 2009 Amount (Rs.)
1. SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	73,132,000.00	73,132,000.00
Share Warrants		11,450,000.00	11,450,000.00
Reserves & Surplus	2	7,270,354.30	
		91,852,354.30	84,582,000.00
Borrowed Funds			
Secured Loans	3	-	98,267.00
Unsecured Loans	4	30,300,000.00	38,700,000.00
Inter Unit Balances		-	
		30,300,000.00	38,798,267.00
Deferred Tax Liabilities			
		2,152,431.00	-
TOTAL		124,304,785.30	123,380,267.00
2. APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block	5	147,993,964.12	144,536,948.90
Less: Accumulated depreciation		60,662,452.61	56,339,854.60
Net Block		87,331,511.51	88,197,094.30
Current Assets, Loans & Advances			
Inventories	6	843,156.35	890,309.76
Sundry Debtors		9,844,357.86	9,650,981.41
Cash & Bank Balances		28,758,667.03	25,756,352.72
Loans & Advances		8,910,200.60	4,485,750.99
		48,356,381.84	40,783,394.88
Less: Current Liabilities & Provisions			
Current Liabilities	7	7,704,410.05	8,618,774.20
Provisions		3,678,698.00	2,089,697.00
Net Current Assets		36,973,273.79	30,074,923.68
DEFERRED TAX ASSETS		-	2,895,049.00
PROFIT & LOSS ACCOUNT		-	2,213,200.02
TOTAL		124,304,785.30	123,380,267.00
Significant Accounting Policies & Notes to the Accounts	13		

As per our Report of even date attached

For & on behalf of the Board of Directors

P. C. Bindal & Co.
Chartered Accountants
Sd/-
(CA V. K. Gupta)
Partner

Sd/-
Nirankar Nath Mittal
Chairman & Managing Director

Sd/-
Nirvikar Nath Mittal
Executive Director

M. No. 096422
FRN No. 003824N

Place: New Delhi
Date: August 9, 2010

Sd/-
Pallavi Agarwal
Company Secretary

PROFIT & LOSS ACCOUNT

For the year ended March 31, 2010

PARTICULARS		AS AT MARCH 31, 2010 Amount (Rs.)	AS AT MARCH 31, 2009 (Amount in Rs.)
<u>INCOME</u>			
(a) Income from operation	8	86,170,037.00	80,685,570.15
(b) Other Income	9	3,055,307.46	1,613,251.69
	TOTAL	89,225,344.46	82,298,821.84
<u>EXPENDITURE</u>			
(a) Food, Beverage, Tobacco etc. Consumed	10	8,582,814.34	9,102,451.33
(b) Operating & Administrative Expenses	11	56,667,686.31	53,383,791.68
(c) Financial Expenses	12	3,844,219.51	4,888,789.75
(d) Depreciation	5	5,457,241.58	5,643,579.60
	TOTAL	74,551,961.73	73,018,612.36
Profit before Taxation		14,673,382.73	9,280,209.48
Provision for Tax		-	
- Current Tax (MAT)		2,493,741.00	913,436.00
- Wealth Tax		13,927.00	14,977.00
- Deferred Tax charged / (credit)		5,047,480.00	3,172,029.00
- Fringe Benefit Tax		-	139,107.00
- Earlier Year Tax		46,568.41	113,310.00
MAT credit entitlement		2,493,741.00	913,436.00
Prior Period Expenses		81,853.00	272,794.00
Profit for the Year		9,483,554.32	5,567,992.48
Add: Balance brought forward from Previous Year *		(2,213,200.02)	(7,781,192.50)
(refer to Para of Notes to Accounts: Schedule 13)			
Surplus / (deficit) carried over to Balance Sheet		7,270,354.30	(2,213,200.02)
Basic & Diluted Earning Per Share			
(Face value of Rs. 10/- each)			
Basic		1.30	0.76
Diluted		1.25	0.75
Significant Accounting Policies & Notes to the Accounts	13		

As per our Report of even date attached

For & on behalf of the Board of Directors

P. C. Bindal & Co.
Chartered Accountants
Sd/-
(CA V. K. Gupta)
Partner

Sd/-
Nirankar Nath Mittal
Chairman & Managing Director

Sd/-
Nirvikar Nath Mittal
Executive Director

M. No. 096422
FRN No. 003824N

Place: New Delhi
Date: August 9, 2010

Sd/-
Pallavi Agarwal
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

As at March 31, 2010

PARTICULARS	AS AT MARCH 31, 2010 Amount (Rs.)	AS AT MARCH 31, 2009 (Amount in Rs.)
<u>Schedule 1</u>		
SHARE CAPITAL		
Authorized		
1,00,00,000 Equity Shares of Rs. 10/- each	100,000,000.00	100,000,000.00
Issued, Subscribed & Paid Up		
73,13,200 Equity Shares of Rs. 10/- each fully paid up	73,132,000.00	73,132,000.00
	73,132,000.00	73,132,000.00
<u>Schedule 2</u>		
RESERVES & SURPLUS		
Balance B/f	(2,213,200.02)	-
Profit & Loss Account	9,483,554.32	-
	7,270,354.30	-
<u>Schedule 3</u>		
SECURED LOANS		
Term Loan from Bank - Indian Overseas Bank	-	-
Others - Vehicle Loan	-	98,267.00
		98,267.00
<u>Schedule 4</u>		
UNSECURED LOANS		
From Directors / Ex Director	30,300,000.00	38,700,000.00
	30,300,000.00	38,700,000.00
<u>Schedule 6</u>		
CURRENT ASSETS, LOANS AND ADVANCES		
A. Inventories		
(a) Food, Beverage, Tobacco etc.	205,711.76	202,820.78
(b) Crockery, Cutlery , Glassware etc.	20,905.09	75,297.24
(c) Stores and Spare parts etc	616,539.50	612,191.74
	843,156.35	890,309.76
B. Sundry Debtors		
(Unsecured, considered good)		
(a) Debts outstanding for a period exceeding six months	1,225,503.00	1,629,720.00
(b) Other debts	8,618,854.86	8,021,261.41
	9,844,357.86	9,650,981.41
C. Cash and Bank Balances		
(a) Cash and Foreign Currency in Hand	301,982.38	309,763.75
(b) Balance with scheduled banks	-	
- Deposit Account	23,874,351.00	11,338,871.00
- Current Accounts	4,576,886.84	14,102,271.16
(c) Balance with Post Office *	5,446.81	5,446.81
* pledge with Govt. Deptt.		
	28,758,667.03	25,756,352.72

PARTICULARS	AS AT MARCH 31, 2010 Amount (Rs.)	AS AT MARCH 31, 2009 (Amount in Rs.)
D. Loans and Advances		
(a) Advance recoverable in cash or in kind or for value to be received	3,136,964.43	3,256,312.16
(b) Prepaid Taxes	2,366,059.17	316,002.83
(c) MAT Credit entitlement	3,407,177.00	913,436.00
	8,910,200.60	4,485,750.99
GRAND TOTAL A+B+C+D	48,356,381.84	40,783,394.88
Schedule 7		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
(a) Sundry Creditors	2,426,557.75	3,108,515.70
(b) Other Current Liabilities	4,279,523.21	4,554,263.11
(c) Advance from Customers	747,139.09	617,169.77
(d) Bank overdraft	-	27,635.62
(e) Security Deposits	251,190.00	311,190.00
	7,704,410.05	8,618,774.20
B. Provisions		
(a) Provision for Retirement Benefits	1,171,030.00	1,022,177.00
(b) Provision for FBT	-	139,107.00
(c) Provision of Wealth Tax	13,927.00	14,977.00
(d) Provision For Income Tax	2,493,741.00	941,534.00
	3,678,698.00	2,117,795.00
GRAND TOTAL A+B	11,383,108.05	10,736,569.20
Schedule 8		
INCOME FROM OPERATIONS		
(a) Rooms	57,301,094.65	54,095,653.64
(b) Food & Beverage	25,364,567.38	23,901,534.83
(c) Other Services	3,504,374.97	2,688,381.68
	86,170,037.00	80,685,570.15
Schedule 9		
OTHER INCOME		
(a) FDR Interest (TDS Rs. 176473/- Pr. Yr.Rs.30851/-)	1,570,656.00	149,776.00
(b) Rent Received	545,373.00	392,264.00
(c) Incentive on Foreign Currency	28,070.00	206,168.97
(d) Miscellaneous Income	911,208.46	865,042.72
	3,055,307.46	1,613,251.69
Schedule 10		
FOOD & BEVERAGE, TOBACCO ETC. CONSUMED		
Opening Stock	202,820.78	183,474.00
Add: Purchases	8,585,705.32	9,121,798.11
	8,788,526.10	9,305,272.11
Less : Closing Stock	205,711.76	202,820.78
Consumption	8,582,814.34	9,102,451.33

PARTICULARS	AS AT MARCH 31, 2010 Amount (Rs.)	AS AT MARCH 31, 2009 (Amount in Rs.)
Schedule 11		
OPERATING & ADMINISTRATIVE EXPENSES		
Director Remuneration	6,005,000.00	3,716,200.00
Salaries & Wages	11,727,093.65	11,430,952.22
Contribution to Provident & Other Fund	928,200.00	890,307.95
F&B and Other Expenses	624,516.91	-
Printing & Stationary	595,420.77	624,257.90
Staff Welfare Expenses	60,573.50	105,991.00
Rent, Rates & Taxes	1,347,554.16	1,189,203.97
Guest Supplies	600,356.34	505,818.04
Room Purchases	37,848.00	69,314.00
Power & Fuel	11,424,080.55	10,447,219.30
Postage & Telegram	143,322.50	242,693.00
Insurance	275,246.00	308,273.06
Advertisement & Sales Promotion	270,542.00	202,534.92
Management & Franchise Fees	5,023,710.00	4,959,718.00
Commission	30,195.00	80,436.85
Renovation & Renewal Expenses	2,912,489.78	3,938,830.79
Upkeep & Maintenance	3,473,994.37	3,547,348.92
REPAIR & MAINTENANCE		
Building	1,858,804.40	1,459,620.46
Furniture & Fixtures	841,987.60	1,306,886.43
Plant & Machinery	1,911,763.09	1,591,448.88
Other/Electrical/Boilers	2,070,561.81	2,725,328.43
Legal & Professional Charges	1,635,583.53	1,700,562.46
Miscellaneous Expenses	826,329.57	316,340.50
Festival Expenses	223,910.00	91,270.00
A.G.M.Expenses	167,765.00	227,016.00
Telephone & Fax	518,812.90	489,505.57
Traveling & Conveyance Expenses	749,805.32	938,713.44
Commission on Credit Cards	337,489.12	232,565.59
Loss on Sale of Assets	556.44	-
AUDITOR'S REMUNERATION		
Audit Fee	40,000.00	40,000.00
Audit Expenses	4,174.00	5,434.00
	56,667,686.31	53,383,791.68
Schedule 12		
FINANCIAL CHARGES		
Bank Charges	27,554.51	51,705.75
Interest on Car Loan	1,324.00	88,700.00
Interest on Unsecured Loan	3,815,341.00	4,748,384.00
	3,844,219.51	4,888,789.75

SCHEDULE 5 OF FIXED ASSETS AS ON 31ST MARCH 2010

S.NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 01.04.2009	Additions during the year	Deductions	Total as on 31.03.2010	up to 01.04.2009	For the year	Deductions	Total as on 31.03.2010	W.D.V. as on 31.03.2010	W.D.V. as on 31.03.2009
1	Land	3,344,915.00	-	-	3,344,915.00	-	-	-	-	3,344,915.00	3,344,915.00
2	Building	75,473,852.00	-	-	75,473,852.00	15,370,628.79	1,230,223.79	-	16,600,852.58	58,872,999.42	60,103,223.21
3	Plant & Machinery	45,528,513.90	2,720,989.00	1,435,200.00	46,814,302.90	26,448,338.91	2,465,451.01	1,134,643.56	27,779,146.36	19,035,156.54	19,080,174.99
4	Furniture & Fixture	11,554,900.00	192,674.00	-	11,747,574.00	10,872,836.56	692,361.62	-	11,565,198.18	182,375.82	682,063.44
5	Vehicle	5,575,495.00	1,963,165.22	-	7,538,660.22	2,028,420.19	572,463.31	-	2,600,883.50	4,937,776.72	3,547,074.81
6	Computer	3,059,273.00	15,387.00	-	3,074,660.00	1,619,630.15	496,741.84	-	2,116,371.99	958,288.01	1,439,642.85
	T O T A L	144,536,948.90	4,892,215.22	1,435,200.00	147,993,964.12	56,339,854.60	5,457,241.58	1,134,643.56	60,662,452.61	87,331,511.51	88,197,094.30
	Previous Year	142,026,314.00	2,510,634.90	-	144,536,948.90	50,696,275.00	5,643,579.60	-	56,339,854.60	88,197,094.30	91,330,039.00

CHEDULE “13”-- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial Statements are set out below:

a) Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis of Accounting and on a going concern basis.

b) Revenue Recognition

- i) Sale of foods, rooms and other items are accounted for on accrual basis.
- ii) Other Incomes are accrued as earned except where the receipts of income are uncertain.

c) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes any borrowing costs directly attributable to the acquisition / construction of fixed assets and bringing the assets to its working condition for its intended use.

d) Depreciation

Depreciation is provided as per Straight Line Method in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, depreciation is charged on pro-rata basis for assets purchased / sold during the year.

e) Inventories

- i) Raw Material : At lower of cost and net Realisable value.
Consumable and components. : At estimated value.
Scrap and slow moving unserviceable stock : At net Realisable value.
- ii) Costs of inventories are ascertained on the first in first out basis.

f) Employee Benefits

- i) Contribution to provident fund & other funds are accounted for on accrual basis.
- ii) Gratuity and other retirement benefits are charged to Profit & Loss Account through a provision for accruing liability based on assumption that such benefits are payable to the eligible employees at the end of accounting year.

g) Impairment

Fixed Assets are tested for impairment if there is any indication of their possible impairment. An impairment loss is recognized where the carrying amount of a fixed assets (or cash generating unit) exceeds its recoverable amount, i.e. higher of value in use and net selling price. Impairment loss recognized in one period can get reversed fully or partly in a subsequent year.

h) Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. Gain/Loss arising out of fluctuations in the exchange rates are recognized in the period in which they arise.

i) Income Tax

Current Tax: Provision for Income Tax is made in accordance with the provision of Income Tax Act, 1961.

Deferred Tax: Deferred Tax is recognized on timing difference between taxable and accounting incomes that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward only to the extent there is reasonable certainty of its realization

2. Contingent Liabilities not provided for:

In respect of guarantees issued, net of margin: Rs. Nil (P.Y. Rs. Nil).

3. In accordance with the Accounting Standard -22 relating to accounting for taxes on income issued by the Institute of Chartered Accountants of India, made applicable w.e.f. 1st April, 2001. During the year under consideration, the company has generated net profit and as prudence, company has recognized deferred tax assets/ Deferred tax liabilities.

4. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

S. No.	Particulars	March 31, 2010 Amount (Rs.)	March 31, 2009 Amount (Rs.)
	Deferred Tax Liabilities		
a.	Difference in depreciation for accounting and tax purposes	20,912,123.00	21,701,414.00
	Deferred Tax Assets		
a.	Unabsorbed Depreciation	18,238,870.00	24,078,747.00
b.	Provision for Retirement Benefits	3,98,033.00	347,438.00
c.	Disallowance of Provision for Bonus	1,22,789.00	117,893.00
d.	Others	--	52,385.00
	Total Deferred Tax Assets	18,759,692.00	24,958,473.00
	Net Deferred Tax Assets/ (Liability)	(2,152,431.00)	2,895,049.00

5. Related Party Disclosures

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 31st March, 2010:

a) Key Management Personnel & their relatives:

Nirankar Nath Mittal	:	Chairman and Managing Director
Nirvikar Nath Mittal	:	Executive Director
Shri Kant Mittal	:	Executive Director
Brij Lata Mittal	:	Brother's Wife of Nirankar Nath Mittal
Neena Mittal	:	Wife of Nirvikar Nath Mittal
Sarita Mittal	:	Wife of Nirankar Nath Mittal
Saurab Mittal	:	Brother of Shri Kant Mittal
Jyoti Prasad Mittal (HUF)	:	Mr. Nirankar Nath Mittal is Karta of HUF
Nirankar Nath Mittal (HUF)	:	Mr. Nirankar Nath Mittal is Karta of HUF
Nirvikar Nath Mittal (HUF)	:	Mr. Nirvikar Nath Mittal is Karta of HUF
Omkar Nath Mittal (HUF)	:	Mr. Shri Kant Mittal is Karta of HUF

b) Enterprises over which personnel referred in (a) aforementioned exercise significant influence

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Mittal Fragrance Pvt. Ltd.	:	Company in which director's are interested
Rishi Real Estate India Pvt. Ltd.	:	Company in which director's are interested
Fragrance De Energy	:	Firm in which director's relative are interested
De Exquisite	:	Firm in which director's are interested
D'Craft	:	Firm in which director's relative are interested

Related Party Transactions**(Rs. In Lacs)**

Particulars	A	B	Total
Directors' Remuneration	60.00	-	60.00
Lease Rent	0.05	-	0.05
Interest Expenses	38.15	-	38.15
Allotment of Shares Warrants	-	-	-
Rent Received	-	4.80	4.80
Total	98.20	4.80	103.00
Balance outstanding:			
Due from	--	--	--
Due to	303.00	--	303.00
Previous year	A	b	Total
Loans Taken		0.00	0.00
Loan Repaid	40.36	0.00	40.36
Directors' Remuneration	37.04		37.04
Interest Payment	45.00	0.00	45.00
Lease rent	0.05		0.05
Total	123.74	26.04	149.78
Balance outstanding:			
- Due from	--	--	--
- Due to	375.10	--	375.10

Segmental Reporting

6.

The company is operating mainly in one segment i.e. Running of Hotel Business. Hence, Segment Reporting as defined in accordance with Accounting Standard 17 issued by the Institute of Chartered Accountants of India is not applicable.

7.

Amount paid/ payable to Auditors:

	31st March 2010 (Rs)	31st March 2009 (Rs)
a) Audit Fee	40,000.00	40,000.00
b) Reimbursement Expenses	4,174.00	5,434.00
Total	44,174.00	45,434.00

8. Basic and diluted earning per share:

S.No.	Particulars	31st March 2010		31st March 2009	
		Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
a.	Net Profit for the year (Rs. In Lacs)	94.83	94.83	55.68	55.68
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share	73,13,200	73,13,200	73,13,200	73,13,200
c.	Weighted average number of	-	2,56,081	-	64,020

	equity shares from dilutive instruments				
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	73,13,200	75,69,281	73,13,200	73,77,220
e.	Nominal Value of Equity shares-(Rs.)	10.00	10.00	10.00	10.00
f.	Earning Per Shares (Rs.)	1.30	1.25	0.76	0.75

9. Managerial remuneration paid to the Managing Director/ Whole-Time Director/ Non-Whole-Time Directors

	31st March 2010 (Rs)	31st March 2009 (Rs)
Director's Remuneration	60,00,000.00	37,04,200.00
Contribution to PF & other Funds	Nil	Nil
Perquisites	Nil	Nil
Director's Sitting fees	5,000.00	12,000.00

- 10.** In the opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities have been provided for.
- 11..** The company has not given any loans or advances in the nature of loans which are required to be disclosed pursuant to clause 32 of the Listing Agreement.
- 12..** In the opinion of Board of Directors, none of the assets/ cash generating units of the Company is impaired.
- 13.** The company is in the process of compiling the requisite list of micro, small and medium enterprises under the MSMED Act which has come into force recently and in the absence of information in this regard, the particulars required by the aforesaid Act have not been given.

14. Term of Issue of Share Warrants:

An amount of Rs. 114.50 Lacs being 25 % of the total sum has been received on account of preferential allotment of 1800000 warrants at a price of Rs. 12.25 per warrant, by the Company during the financial year 2008-09. As on 31st March, 2010, the Company has not utilized the same and the same is lying in deposit/current account with the scheduled bank of the Company.

15. Foreign Currency Encashed & Outgo (Amount Rs. in Lacs)

	31st March 2010	31st March 2009
Total Foreign Currency Encashed	107.00	123.27
Total foreign Currency Earned	110.93	65.04
Total Foreign Currency outgo	---	3.27

- 16.** Information as per order no.46/133/96-CL III dated 10.5.1996 issued by Ministry of Law, Justice of Company Affairs, the company has been exempted from disclosure of quantitative details.
- 17** Figures have been rounded off to the nearest rupee.
- 18** Previous Year's figures have been regrouped and/or rearranged to conform to those of current year's figures wherever necessary.

As per our Report of even date

For & on behalf of the Board of Directors

P. C. Bindal & Co.
Chartered Accountants
Sd/-
(CA V. K. Gupta)
Partner

Sd/-
Nirankar Nath Mittal
Chairman & Managing Director

Sd/-
Nirvikar Nath Mittal
Executive Director

M. No. 096422
FRN No. 003824N

Sd/-
Pallavi Agarwal
Company Secretary

Place: New Delhi
Date: August 9, 2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS REQUIRED
UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

PARTICULARS		Amount in thousands
I	Registration details	
	Registration No.	038622
	State code	55
	Balance Sheet date	31.03.2010
II	Capital raised during the year	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement *	11,450
	* Share warrants allotted	
III	Position of mobilisation and deployments of funds	
	Total Liabilities	124,305
	Total Assets	124,305
	Source of funds	
	Paid-up capital	73,132
	Share Warrants	11,450
	Reserves and Surplus	7,270
	Secured Loans	-
	Unsecured Loans	30,300
	Deferred Tax Liability	2,152
		124,305
	Application of funds :	
	Net Fixed Assets	87,332
	Investments	-
	Net Current Assets	36,973
	Misc. Expenditure	-
	Deferred Tax Assets	-
	Accumulated Losses	
		124,305
IV	Performance of the Company	
	Turnover	89,225
	Total expenditure	74,552
	Profit before tax	14,673
	Profit after tax	9,484
	Earning per share of Rs. 100/- each- Basic & Diluted	
	- Basic	Rs. 1.30
	- Diluted	Rs. 1.25
	Dividend Rate	Nil
V	Generic name of principal products of the Company	
	Item Code No. (ITC code)	591001006
	Product description	Hotel
	Item Code No. (ITC code)	390001002
	Product description	Restaurants

As per our Report of even date attached

P. C. Bindal & Co.

Chartered Accountants

Sd/-

(CA V. K. Gupta)

Partner

M. No. 096422

FRN No. 003824N

Place: New Delhi

Date: August 9, 2010

For & on behalf of the Board of Directors

Sd/-

Nirankar Nath Mittal
Chairman & Managing Director

Sd/-

Nirvikar Nath Mittal
Executive Director

Sd/-

Pallavi Agarwal
Company Secretary

CASH FLOW STATEMENT

For the year ended March 31, 2010

PARTICULARS	YEAR ENDED MARCH 31, 2010 Amount (Rs.)	YEAR ENDED MARCH 31, 2009 Amount (Rs.)
<u>A. Cash flow from operating activities</u>		
Net profit before tax but after exceptional items	14,673,383	9,280,209
Adjustments for		
Depreciation	5,457,242	5,643,580
Loss on Sale of assets	556	
Interest Expenses	3,844,220	4,837,084
Operating profit before working capital changes	23,975,400	19,760,873
<u>Adjustments for change in working capital</u>		
Decrease / (increase) in inventory	47,153	60,736
Decrease / (increase) in debtors	(193,376)	(536,531)
Decrease / (increase) in loans & advances	(4,424,450)	1,172,206
(Decrease) / increase in Retirement Benefits	183,031	
(Decrease) / increase in current liabilities	(914,364)	3,211,823
Cash generated from operation	18,673,394	22,276,285
Prior Period Income / (Expenses)	81,853	(272,794)
Income Tax (paid)	46,568	(267,394)
Net cash from operating activities (a)	18,801,816	21,736,097
<u>B. Cash flow from investing activities</u>		
Sale of fixed assets	1,435,200	-
Purchases of fixed assets	4,892,215	2,510,635
Net cash from investing activities (b)	(3,457,015)	(2,510,635)
<u>C. Cash flow from financing activities</u>		
Proceeds from Issue of Warrants	-	11,450,000
Proceeds/(Repayments) of Secured long term borrowings	(98,267)	(5,723,442)
Proceeds/(Repayments) of Unsecured long term borrowings	(8,400,000)	(2,500,000)
Interest Expenses	(3,844,220)	(4,837,084)
Net cash from financing activities (c)	(12,342,487)	(1,610,526)
Net increase/decrease in cash & cash equivalents (a+b+c)	3,002,314	17,614,936
Cash & cash equivalents at the opening of the year	25,756,353	8,141,417
Cash & cash equivalents at the closing of the year	28,758,667	25,756,353
(refer schedule 10 (c) of Financial Statement)	0	

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by ICAI.

As per our Report of even date attached

P. C. Bindal & Co.

Chartered Accountants

Sd/-

(CA V. K. Gupta)

Partner

M. No. 096422

FRN No. 003824N

Place: New Delhi

Date: August 9, 2010

For & on behalf of the Board of Directors

Sd/-

Nirankar Nath Mittal
Chairman & Managing Director

Sd/-

Nirvikar Nath Mittal
Executive Director

Sd/-

Pallavi Agarwal
Company Secretary

HOWARD HOTELS LIMITED

Regd. Off: 805, New Delhi House, 27,
Barakhamba Road, New Delhi-110001

ATTENDANCE CARD

21st Annual General Meeting, Friday, September 17, 2010 at 10.00 A.M.

*Folio No. /DP & Client ID..... No. of shares.....

Name.....

Address.....

.....

I/ We hereby record my/ our presence at the 21st Annual General Meeting of the Company being held on Friday, September 17, 2010 at Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi -74 at 10:00 A.M..

Proxy's Name.....

Proxy's Signatures.....

.....
Member's Signature

Notes:

1. Please note that no gifts or coupons will be given to the Shareholders for attending the Annual General Meeting.
2. This Form should be signed and handed over at the Meeting Venue.
3. No Duplicate Attendance Slip will be issued at the Meeting Hall.
4. You are requested to bring copy of Annual Report to the Meeting.

* *Strike out whichever is not applicable*

----- Please cut from here -----

HOWARD HOTELS LIMITED

Regd. Off: 805, New Delhi House, 27,
Barakhamba Road, New Delhi-110001

FORM OF PROXY

21st Annual General Meeting, Friday, September 17, 2010 at 10.00 A.M.

*Folio No. /DP & Client ID..... No. of shares.....

I/We of.....being a Member/Member(s) of Howard Hotels Limited hereby appoint..... ofor failing him/her ofas my/our proxy to vote for me/us and on my/our behalf at 21st Annual General Meeting of the Company to be held on Friday, September 17, 2010 at Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi -74 at 10:00 A.M. and at any adjournment thereof.

As witness my/our hand(s) this day of 2010.

.....
(Member's Signature)

**Affix
Re. 1 /-
Revenue
Stamp**

Notes:

1. The proxy need not be a member of the Company.
2. The proxy form should be signed across the stamp as per specimen signature registered with the Company.
3. The Proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

* *Strike out whichever is not applicable*