



**ANNUAL REPORT**  
**2010-2011**

**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

## 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

State Bank of India

IDBI Bank Limited

## Registrar & Share Transfer Agent

**Link Intime India Pvt. Ltd.**

A-40, 2nd Floor, Naraina Industrial Area,

Phase-II, Near Batra Banquet Hall,

New Delhi-110028

## Registered Office

**Howard Hotels Limited**

20, Maurya Complex,

B-28 Subhash Chowk,

Laxmi Nagar,

New Delhi-110092

## Corporate Office

Howard Sarovar Portico

Fatehabad Road,

Agra-282001

**Company's Website:** [www.howardhotelsltd.com](http://www.howardhotelsltd.com)

**Email-Id :** [cs@howardhotelslimited.com](mailto:cs@howardhotelslimited.com)

: ( 0562) 4048600

**Facsimile :** (0562) 4048666

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 22<sup>nd</sup> (Twenty Second) Annual General Meeting of **HOWARD HOTELS LIMITED** will be held on Friday, September 23, 2011 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, 2011 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. Uday Bhan Singh Sikarwar, who retires by rotation and is being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rakesh Kumar Agarwal, 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.”**

### Special Business

#### 5. To consider and if thought fit to pass with or without modification a resolution as a Special Resolution

**“RESOLVED THAT** pursuant to the provision of section 198,269,302,309,310, 311 and 317 read with the provisions of the Schedule XIII of the Companies Act,1956 and other applicable provision if any of the Companies Act,1956 including any statutory modifications or re-enactment thereof for the time being enforceable the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Nirankar Nath Mittal as the Managing Director of the Company for a further period of 3 years (three years) with effect from October 16, 2011 and whose period of office will not be liable to retire by rotation, on the terms and conditions as set out below:

**Salary :** Rs. 2,00,000/- Per Month

**Perquisites :** In addition to the above salary, Mr. Nirankar Nath Mittal shall be entitled to the following perquisites:

- a. Contribution to the Provident Fund, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- c. Rent free accommodation along with all the facility this includes free electricity, gardener and security Guard;
- d. The Company shall provide and maintain Chauffeur driven Car for official use of the Managing Director;
- e. The Managing Director shall be beneficiary of Group Medical Insurance Policy taken by the Company for the Management Staff of the Company.

**“FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in it's absolute discretion, it may consider necessary, expedient or desirable and to settle any questions, or doubt that may arise in relation thereto including to decide breakup of the remuneration.”

#### **6. To consider and if thought fit to pass with or without modification a resolution as a Special Resolution**

**“RESOLVED THAT** pursuant to the provision of section 198,269,302,309,310, 311 and 317 read with the provisions of the Schedule XIII of the Companies Act,1956 and other applicable provision if any of the Companies Act,1956 including any statutory modifications or re-enactment thereof for the time being enforceable the approval of the members of the Company be and is hereby accorded to re-appointment of Mr. Nirvikar Nath Mittal as the Whole Time Director of the Company for a further period of 3 years (three years) with effect from September 7, 2011 and whose period of office will not be liable to retire by rotation, on the terms and conditions as set out below:

**Salary :** Rs. 1,90,000/- Per Month

**Perquisites :** In addition to the above salary, Mr. Nirvikar Nath Mittal shall be entitled to the following perquisites:

- a. Contribution to the Provident Fund, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- c. Rent free accommodation along with all the facility this includes gardener and security Guard;
- d. The Managing Director shall be beneficiary of Group Medical Insurance Policy taken by the Company for the Management Staff of the Company.

**“FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in it's absolute discretion, it may consider necessary, expedient or desirable and to settle any questions, or doubt that may arise in relation thereto including to decide breakup of the remuneration.”

#### **7. To consider and if thought fit to pass with or without modification a resolution as a Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 257 of the Companies Act, 1956 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 1956, the approval of the members of the Company be and is hereby accorded to appoint Mr. Ravi Kant Bansal as Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.”

#### **Notes:**

1. The register of the members and share transfer books of the Company shall remain closed from Tuesday, September 20, 2011 to Friday, September 23, 2011 (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. Keeping in view of "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs vide their circular no. 17/2011 date 21/04/2011 and 18/2011 dated 29/04/2011, your Company has decided to send henceforth, all documents, required to be sent to the shareholders like General Meeting Notice (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form on the e-mail Id provided and made available to us by the Depository. In case you have not registered your E-mail ID or you desire to have different E-mail ID to be registered, please update the same with your Depository Participant and E-mail us also at [cs@howardhotelslimited.com](mailto:cs@howardhotelslimited.com)

9. 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	Nirankar Nath Mittal	Nirvikar Nath Mittal	Ravi Kant Bansal	Uday Bhan Singh Sikarwar	Rakesh Kumar Agarwal
Date of Birth	15/05/1952	21/11/1953	20/06/1954	12/07/1932	03/05/1960
Date of appointment/re-appointment	14/06/2003	29/11/2003	effective from 23/09/2011	04/01/2003	30/04/2007
Qualifications	M. Sc.	B.A., LLb.	Post Graduate	Post Graduate	M.COM., FCA
Expertise in specific functional areas	Hotel & Tourism Administration	Hotel & Tourism Administration	Experience in Hotel Industry	Human Resources	Accounts & Finance
List of other Indian Public Limited Companies in which Directorship held as on 31.03.2011	NIL	NIL	NIL	NIL	NIL
Shareholdings in the company as on 31.03.2011	724593	614266	NIL	35000	NIL
Inter-se relationship	YES	YES	NIL	NIL	NIL

Place: Agra  
Date: August 11, 2011

Registered office:  
Howard Hotels Limited  
20, Maurya Complex,  
B-28 Subhash Chowk,  
Laxmi Nagar,  
Delhi-110092

By order of the Board  
HOWARD HOTELS LIMITED

Sd/-  
[Pallavi Agarwal]  
Company Secretary

## **Explanatory Statement**

Explanatory Statement in pursuant to provisions of the section 173 of the Companies Act, 1956, in respect of the Special Business

### **ITEM NO. 5**

Mr. Nirankar Nath Mittal was appointed by the Company as Managing Director of the Company for a further period of three years w. e. f.16-10-2011 and his term of appointment shall expire on 15-10-2014, the Board at their meeting held on August 11, 2011, has considered the recommendation of the remuneration committee for the reappointment, terms & conditions and remuneration and has approved the reappointment of Mr. Nirankar Nath Mittal for a further period of 3 years w.e.f. 16-10-2011. Mr. Nirankar Nath Mittal has adequate experience and qualifications as well as the contribution he has made during his tenure for the smooth functioning of the Company. Looking into his past experience in the management of the affairs of the Company , your Directors consider that his appointment shall be in the best interest in the Company.

Your directors recommend the resolution for your approval.

Except Mr. Nirankar Nath Mittal, Mr. Nirvikar Nath Mittal and Mr. Shri Kant Mittal, none of the Directors of the Company are interested or concerned in the resolution.

Statement as per Clause B(iv) of Section II of part II of Schedule XIII of the Companies Act,1956 is enclosed with the Notice.

### **ITEM NO. 6**

Mr. Nirvikar Nath Mittal was appointed by the Company as Whole Time Director of the Company for a further period of three years w. e. f. 07-09-2011 and his term of appointment shall expire on 06-09-2014, the Board at their meeting held on August 11, 2011, has considered the recommendation of the remuneration committee for the reappointment, terms & conditions and remuneration and has approved the reappointment of Mr. Nirvikar Nath Mittal for a further period of 3 years w.e.f. 07-09-2011. Mr. Nirvikar Nath Mittal has adequate experience and qualifications as well as the contribution he has made during his tenure for the smooth functioning if the Company. Looking into his past experience in the management of the affairs of the Company , your Directors consider that his appointment shall be in the best interest in the Company.

Your directors recommend the resolution for your approval.

Except Mr. Nirvikar Nath Mittal, Mr. Nirankar Nath Mittal and Mr. Shri Kant Mittal, None of the Directors of the Company are interested or concerned in the resolution.

Statement as per Clause B(iv) of Section II of part II of Schedule XIII of the Companies Act,1956 is enclosed with the Notice.

### **ITEM NO. 7**

The Company has received a notice from Mr. Ravi Kant Bansal in writing alongwith cash of Rs.500, as a deposit for proposing his candidature for the Directorship of the Company. Therefore, the Board at their Meeting held on August 11, 2011, has considered the matter and recommend the appointment of Mr. Ravi Kant Bansal as Director of the Company.

Your directors recommend the resolution for your approval.

Except Mr. Ravi Kant Bansal, None of the Directors of the Company are interested or concerned in the resolution

**Place: Agra**  
**Date: August 11, 2011**

**By order of the Board**  
**HOWARD HOTELS LIMITED**

**Sd/-**  
**[Pallavi Agarwal]**  
**Company Secretary**

**Statement as per Schedule XIII Part II Section II (1) (B) (iv) of the Companies Act, 1956**

To,  
The Members  
M/s Howard Hotels Limited

Your Directors are presenting statement as per schedule XIII of the Companies Act, 1956 with respect to the appointment of Mr. Nirankar Nath Mittal.

**1. GENERAL INFORMATION**

- |  |                      |
|--|----------------------|
| (1) Nature of Industry                           | Hospitality Industry |
| (2) Foreign investments or collaborators, if any | NIL                  |

**2. INFORMATION ABOUT THE APPOINTEE**

- |  |  |
|--|--|
| (1) Background details   | Mr. Nirankar Nath Mittal was appointed CMD of the Company for a period of five years on 16-10-2003 and for a further period of 3 years on 16-10-2008.  |
| (2) Past remuneration  | Rs. 1,95,000 per month plus perquisites  |
| (3) Recognition or words   | Mr. Nirankar Nath Mittal has vast experience and good knowledge in Hotel Industry. He is Providing leadership and strategic guidance to the Company  |
| (4) Job profile and his suitability  | Overall administration   |
| (5) Remuneration proposed  | Rs. 2,00,000/- per month plus perquisites  |
| (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | The remuneration payable has been benchmarked with the remuneration being drawn by similar positions in Companies having Hotel Business at comparable size in the Hospitality Industries and has been considered and recommended by the Remuneration Committee and Board of Directors of the Company in their meeting held on August 11, 2011. |
| (7) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any  | Mr. Nirankar Nath Mittal has no pecuniary relationship directly or indirectly with the Company, except to the extent of his remuneration and Shareholding. Mr. Nirvikar Nath Mittal and Mr. Shri Kant Mittal, Directors of the Company, are the relatives of Mr. Nirankar Nath Mittal.   |

**3. OTHER INFORMATION**

- (1) **Reasons of loss or inadequate profits:** In past few years the Company has made immense progress. The Management has put its best efforts to make the Company from a loss making entity to a profit making entity. In the current financial year the Company has earned profit of Rs. 148.51Lacs (before tax). Although, the Company has used its maximum potential but due to market fluctuation and frequent changes in the Economy of the Country, the amount of the profit earned is not sufficient to pay whole of the salary of Mr. Nirankar Nath Mittal.
- (2) **Steps taken or proposed to be taken for improvement:** Your Management is in continuous process to cop up with the market trend, to increase the profits of the Company.
- (3) **Expected increase in productivity and profits in measurable terms:** The Company always believes in increasing its potential to face future challenges and enhance competitive position in the Hospitality Business today.

**Statement as per Schedule XIII Part II Section II (1) (B) (iv) of the Companies Act, 1956**

To,  
The Members  
M/s Howard Hotels Limited

Your Directors are presenting statement as per schedule XIII of the Companies Act, 1956 with respect to the appointment of Mr. Nirvikar Nath Mittal.

**1. GENERAL INFORMATION**

- |  |                      |
|--|----------------------|
| (1) Nature of Industry                           | Hospitality Industry |
| (2) Foreign investments or collaborators, if any | NIL                  |

**2. INFORMATION ABOUT THE APPOINTEE**

- |  |  |
|--|--|
| (1) Background details   | Mr. Nirvikar Nath Mittal was appointed Whole Time Director of the Company for a period of five years on 07-09-2003 and for a further period of 3 years on 07-09-2008.  |
| (2) Past remuneration  | Rs. 1,80,000 per month plus perquisites  |
| (3) Recognition or words   | Mr. Nirvikar Nath Mittal has vast experience and good knowledge in Hotel Industry. He is Providing leadership and strategic guidance to the Company  |
| (4) Job profile and his suitability  | Overall administration   |
| (5) Remuneration proposed  | Rs. 1,90,000/- per month plus perquisites  |
| (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | The remuneration payable has been benchmarked with the remuneration being drawn by similar positions in Companies having Hotel Business at comparable size in the Hospitality Industries and has been considered and recommended by the Remuneration Committee and Board of Directors of the Company in their meeting held on August 11, 2011. |
| (7) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any  | Mr. Nirvikar Nath Mittal has no pecuniary relationship directly or indirectly with the Company, except to the extent of his remuneration and Shareholding. Mr. Nirvikar Nath Mittal and Mr. Shri Kant Mittal, Directors of the Company, are the relatives of Mr. Nirvikar Nath Mittal.   |

**3. OTHER INFORMATION**

- (1) **Reasons of loss or inadequate profits:** In past few years the Company has made immense progress. The Management has put its best efforts to make the Company from a loss making entity to a profit making entity. In the current financial year the Company has earned profit of Rs. 148.51Lacs (before tax). Although, the Company has used its maximum potential but due to market fluctuation and frequent changes in the Economy of the Country, the amount of the profit earned is not sufficient to pay whole of the salary of Mr. Nirankar Nath Mittal.
- (2) **Steps taken or proposed to be taken for improvement:** Your Management is in continuous process to cop up with the market trend, to increase the profits of the Company.
- (3) **Expected increase in productivity and profits in measurable terms:** The Company always believes in increasing its potential to face future challenges and enhance competitive position in the Hospitality Business today.

Place: Agra  
Date: August 11, 2011

**By order of the Board**  
**HOWARD HOTELS LIMITED**  
Sd/-  
[Pallavi Agarwal]  
Company Secretary



## DIRECTORS' REPORT

### TO THE MEMBERS,

We are delighted to present the 22<sup>nd</sup> 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, 2011.

### 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:

(Rs. In Lacs)

PARTICULARS	CURRENT YEAR (2010-11)	PREVIOUS YEAR (2009-10)
<b>1. Total Income</b>	<b>1049.73</b>	<b>892.25</b>
Less: i) Operating, Administrative & other Exp.	805.02	653.32
<b>2. Earning before interest and depreciation</b>	<b>244.71</b>	<b>238.93</b>
Less: i) Interest	34.01	38.44
ii) Depreciation	62.19	54.57
<b>3. Profit before Tax</b>	<b>148.51</b>	<b>145.92</b>
Less: provision for Tax		
i) Current	29.60	24.94
ii) Wealth	0.20	0.14
iii) Deferred	48.93	50.47
iv) Fringe Benefit	-	-
v) Earlier Year	-	0.47
vi) MAT Credit	(29.60)	(24.94)
<b>4. Profit after Tax</b>	<b>99.38</b>	<b>94.84</b>
Add: Balance of Profit as per last Balance Sheet	(72.71)	(22.13)
<b>5. Balance available for appropriation</b>	<b>172.09</b>	<b>72.71</b>

### COMPANY'S PERFORMANCE

During the year under review, the Company has total revenues of Rs. 1049.73 Lacs as compared to Rs. 892.25 Lacs during the previous year. The net profit for the year under review has been Rs. 99.38 Lacs as against Rs. 94.84 Lacs during the previous year. Your directors are continuously looking for avenues for future growth of the Company in Hotel Industry.

### OPEN OFFER

Consequence on public announcement of Open Offer 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, the Acquirers has made an open offer to the shareholders to acquire 18,22,640 equity shares of the target company of face value of Rs. 10 each, representing in aggregate 20% of the expanded paid up equity capital of the Company.

The offer was opened on August 24, 2010 and closed on September 13, 2010. The total shares tendered under the offer were 16,66,626 and the total shares accepted under the offer are 16,65,426 out of which 602993, 505266, 557167 Equity Shares were acquired by Mr. Nirankar Nath Mittal, Mr. Nirvikar Nath Mittal and Mrs. Brij lata Mittal respectively.

Presently the holding of Promoter and Promoter Group is 55,08,500 Equity Shares constituting 60.45% of the share Capital of the Company.

**DELISTING**

Considering the fact that trading in the equity shares of the Company on the Stock Exchanges at Delhi and Kanpur (UP) were rare and negligible and disproportionate to the listing fees paid by the Company to these Stock Exchanges and Pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, the Board of Directors of the Company at their Meeting held on February 3, 2011, has decided to file the application for voluntary delisting of the Company's equity shares from the Delhi and U.P. Stock Exchanges and continue its listing only with the Bombay Stock Exchange to avoid unnecessary financial and administrative burden due to multiple compliance of these various clauses of the listing agreement from time to time and to provide better services to the investor through the nationwide stock exchange terminal.

The applications for voluntary delisting from Delhi Stock Exchange Ltd. and U.P. Stock Exchange Ltd were filed on March 1, 2011.

The Equity Shares of the Company have been delisted from U.P. Stock Exchange Ltd vide letter no. UPSE/2010-11/LISTING/4797 dated March 30, 2011. The application filed with Delhi Stock Exchange for delisting is in process.

However, the Equity Shares of the Company will continue to be listed on Bombay Stock Exchange Ltd..

**DIRECTORS**

At the ensuing Annual General Meeting Mr. Uday Bhan Singh Sikarwar and Mr. Rakesh Kumar Agarwal, Directors of the Company, will retire by rotation and, being eligible; offer themselves for reappointment in terms of provisions of Companies Act, 1956 read with Articles of Association of the Company.

Due to Some Pre-occupancy, Mr. Pawan Kumar has resigned from the Directorship of the Company and the Board of Directors in its meeting held on July 18, 2011 accepted their resignation with effect from July 18, 2011.

Mr. Pawan Kumar was also the member of Audit Committee, Remuneration Committee and Share Transfer and Investor Grievance Committee 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, 2011 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, 2011	March 31, 2010
Total Foreign Currency Encashed	105.86	107.00
Total Foreign Currency Earned	97.18	110.93
Total Foreign Currency Outgo	--	--

## **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, 2011, 82.26% of the Company's paid-up capital representing 7496280 Equity Shares is in dematerialized form with both the depositories as compared to 49.70 % representing 4528931 equity shares for the previous year ending March 31, 2010.

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 of  
HOWARD HOTELS LIMITED**

**Sd /-  
[Nirankar Nath Mittal]  
Chairman & Managing Director**

**Place: Agra  
Date: August 11, 2011**

## 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. The Indian hospitality industry has emerged as one of the key industries driving growth of the services sector in India. It has evolved into an industry that is sensitive to the needs and desires of people.

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### AN OVERVIEW OF THE GLOBAL & INDIAN HOSPITALITY INDUSTRY

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. The financial year 2010-11 is characterised by broad-based growth across mature and emerging verticals, as per NASSCOM. Most of the big hotels chains have reported higher revenues in the fourth quarter ended March 31, 2011.

Tourism is an important sector of Indian economy and contributes substantially in the country’s FEE. The Indian hospitality industry has recorded healthy growth fuelled by robust inflow of foreign tourists as well as increased tourist movement within the country and it has become one of the leading players in the global 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).

The contribution of the services sector to the Indian economy has been manifold: a 55.2 per cent share in gross domestic product (GDP), growing by 10 per cent annually, contributing to about a quarter of total employment. The sector has accounted for a high share in foreign direct investment (FDI) inflows and over one-third of total exports and has recorded a very fast (27.4 per cent) growth through the first half of 2010-11.

India 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. Hospitality chains are expected to increase their presence in smaller cities to leverage this opportunity. Further, they are likely to plan a suitable project mix (more budget/business hotels compared to luxury hotels) for these cities.

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. According to Economic Survey of 2010-11 the average annual growth rate of hotel and restaurant sector has been 8.8 per cent for the period during 2005-06 and 2009–10.

#### CONTRIBUTION TO THE ECONOMY

Combining unparalleled growth prospects and unlimited business potential, the industry is certainly on the foyer towards being a key player in the nation's changing face. The hotel and hospitality industries are among the biggest employment generators in the country.

The services sector (financial and non-financial) attracted cumulative foreign direct investments (FDI) worth US\$ 26,873 million between April 2000 and February 2011, accounting for 21 per cent of the total FDI inflows, according to data released by the Department of Industrial Policy and Promotion (DIPP).

The services sector registered at 10.1 per cent growth in 2010-11 (advance estimates—AE), as compared to 9.6 per cent in 2009-10, which was significantly faster than the 6.6 per cent for the combined agriculture and industry sectors annual output growth during the same period.

#### FOREIGN TOURIST ARRIVALS

Hotel Industry depends largely upon the Foreign Tourist Arrivals. The domestic hospitality sector is expected to see investments of over US\$ 11 billion by 2012, with 40 international brands making their presence in the country in the next few years.

- Ø Foreign tourist arrivals (FTAs) during the period January-March 2011 were 1.73 million with a growth of 11.1 per cent, as compared to the FTAs of 1.56 million with a growth of 10.6 per cent during January-March 2010.
- Ø FTA during the month of March 2011 was 5,07,000 as compared to FTAs of 4,72,000 during the month of March 2010. A growth rate of 7.4 per cent in March 2011 over March 2010 was recorded.

## 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. India’s share in international tourism and hospitality market is expected to increase over the long term. The upcoming industrial parks, manufacturing facilities and ports across the country provide a good opportunity for budget and mid-market hotels. Competitive pricing amongst the branded hotels along with the addition of more budget and mid-market hotels would make the hotel industry cost competitive with other destinations.

The Indian hospitality industry has recorded healthy growth in recent years owing to a number of factors:

- Ø Increased tourist movement
- Ø Economic growth
- Ø Changing consumer dynamics and ease of finance

## 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. Several studies have highlighted the demand-supply gap in hotel rooms in India.

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.

Although rapid rise in personal disposable income and changing lifestyle of younger generation augurs well for the hospitality sector but high land prices, low FSI, plethora of taxes, and low incentive from government are some key hurdles for hotel companies in India.

The industry is witnessing heightened competition with the arrival of new players, new products and new systems. The image of India as a country overrun by poverty, political, safety concerns and diseases also harms the tourism & hospitality industry.

## MEASURES UNDERTAKEN BY THE GOVERNMENT

To face the difficulty of hospitality industry, Ministry of Tourism has set up a Hospitality Development and Promotion Board (HDPB).

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.

For the Commonwealth Games (CWG) in October 2010 in New Delhi, Ministry of Tourism and various other Government agencies took many steps to increase the hotel accommodation capacity and for upgrading existing facilities.

Various policy measures undertaken by the Ministry of Tourism and tax incentives have also aided growth of the hospitality industry; some of them include:

- Ø Introduction of ‘Medical Visa’ for tourists coming into the country for medical treatment
- Ø Promotion of rural tourism by the Ministry of Tourism in collaboration with the United Nations Development Programme
- Ø Elimination of customs duty for import of raw materials, equipment, liquor etc
- Ø Capital subsidy programme for budget hotels
- Ø Exemption of Fringe Benefit Tax on crèches, employee sports, and guest house facilities
- Ø Five-year income tax holidays for 2-4 star hotels established in specified districts having UNESCO-declared 'World Heritage Sites'.

## **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.

Hotel companies and analysts believe occupancies will continue to grow, though additional supply of hotel rooms across several markets will put pressure on average room rates in the short term.

The travel and hospitality industry continues to be the sector, which has largely profited from the fast growing economy of India. The hotel industry is estimated to grow at a CAGR (Compounded Annual Growth Rate) of around 15 per cent over the next five years. 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. World Travel & Tourism Council (WTTC) expects travel and tourism (T&T) demand in India to grow above 8 per cent annually till 2019, the highest growth, thereby making India second highest tourist destination after China.

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 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's 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 from the dealers, business associates, agents, suppliers and the banks.

**For & on behalf of  
Board of Directors of  
HOWARD HOTELS LIMITED**

Sd /-  
[Nirankar Nath Mittal]  
Chairman & Managing Director

**Place: Agra  
Date: August 11, 2011**

## 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. 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

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
Uday Bhan Singh Sikarwar	Director	Non Executive & Independent

#### B. BOARD MEETINGS

During the financial year ended March 31, 2011, 10(Ten) meetings of the Board were held, as follow:

S. No.	Dates of Board Meeting	Board strength	No. of directors present
01.	April 30, 2010	6	6
02.	May 31, 2010	6	4
03.	June 5, 2010	6	4
04.	June 23, 2010	6	5
05.	August 9, 2010	6	6
06.	August 28, 2010	6	4
07.	September 3, 2010	6	5
08.	November 10, 2010	6	6
09.	January 4, 2011	6	4
10.	February 3, 2011	6	6

*\*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 as on March 31, 2011 and in the last AGM of the Company is as follow:

S. No.	Name of Director	No. of Board Meeting attended out of 10 held during the year	Attendance at the last AGM
01.	Nirankar Nath Mittal	10	√
02.	Nirvikar Nath Mittal	10	√
03.	Shri Kant Mittal	10	χ
04.	Rakesh Kumar Agarwal	8	√
05.	Pawan Kumar*	6	χ
06.	Uday Bhan Singh Sikarwar	6	χ

*\* Mr. Pawan Kumar resigned from the Directorship w.e.f. July 18, 2011 and simultaneously resigned from the Membership of Audit Committee, Remuneration Committee and Share Transfer and Investor Grievance Committee of the Company.*



**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	-	2	NIL	NIL
Rakesh Kumar Agarwal	NIL	1	2	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**

Due to resignation of Mr. Pawan Kumar w.e.f. July 18, 2011, the Committee has been reconstituted. Presently, the Audit Committee consists of three directors as members. The composition of Audit Committee is as under :

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

**iii. MEETING AND ATTENDANCE**

During the financial year ended March 31, 2011, 4 (Four) meetings of the Audit Committee were held, as follows:

S. No.	Date	Committee Strength	No. of Members present
01.	April 27, 2010	3	2
02.	August 08, 2010	3	3
03.	November 08, 2010	3	3
04.	January 28, 2011	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	3
Mr. Shrikant Mittal**	0

*\*Resigned on July 18, 2011*

*\*\* Appointed Member w.e.f. July 18, 2011*

**B. 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. Due to resignation of Mr. Pawan Kumar w.e.f. July 18, 2011, the Committee has been reconstituted.

**i. MEETING AND ATTENDANCE**

During the financial year ended March 31, 2011, 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

*\* Resigned on July 18, 2011*

**ii. 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 2010-2011 are as under:

<b>(In Rs.)</b>								
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:**

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

**iii. SHARES AND OPTION TO DIRECTORS**

Directors	No. of Shares as on March 31, 2011	No of option granted during the Financial Year
Nirankar Nath Mittal	724593	NIL
Nirvikar Nath Mittal	614266	NIL
Shri Kant Mittal	62000	NIL
Uday Bhan Singh Sikarwar	35000	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**

Due to resignation of Mr Pawan Kumar w.e.f. July 18, 2011, the Committee has been reconstituted. Presently, the Share Transfer & Investors Grievance Committee consists of two directors as members. The composition of Remuneration Committee is as under:

Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent	Chairman
Mr. Shri Kant Mittal	Executive	Member

#### **ii. COMPLAINTS**

There were no pending share transfers/ investors' complaints as on March 31, 2011.

#### **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, 2011, 21 (Twenty One) 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	21
Mr. Pawan Kumar*	21
Mr. Shri Kant Mittal	21

\* *Resigned on July 18, 2011*

#### **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.

#### **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 11, 2011 and forms part of this Annual Report and given separately.

#### **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, 2011.**

**Sd/-**

**Agra  
August 11, 2011**

**Nirankar Nath Mittal  
Chairman & Managing Director**

**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
2010	AGM	17.09.2010	<b>The Executive Club</b> C/o Dolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	NO
2009	AGM	10.09.2009	<b>The Executive Club</b> C/o Dolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	NO
2009	EGM	02.03.2009	<b>Hotel Howard Park Plaza</b> Fatehabad Road, Agra-282001	3.30 P.M.	Issue of Convertible warrants on preferential basis
2008	AGM	30.09.2008	<b>The Executive Club</b> C/o Dolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030	2.00 P.M.	<ol style="list-style-type: none"> <li>1. Re-appointment of Managing Director</li> <li>2. Re-appointment of Whole time Director</li> <li>3. Re-appointment of Whole time Director</li> <li>4. Voluntary Delisting of Equity Shares from DSE and UPSE</li> <li>5. Issue of Convertible warrants on preferential basis</li> <li>6. Alteration in Articles of Association of the Company relating to Authorised Share Capital.</li> </ol>

**POSTAL BALLOT**

For the year ended March 31, 2011, 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. 4 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 2010-11 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**

The Company has suo moto filed consent application alongwith revised disclosures with SEBI seeking condonation of delay and compounding of defaults in respect of disclosures required to be filed under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. The Company has paid the consented amount as imposed by SEBI.

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(a) 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**

<b>Day &amp; Date</b>	<b>Friday, September 23, 2011</b>
<b>Time</b>	10.00 A.M.
<b>Venue</b>	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 2010-11***Unaudited Financial Results*

1st Quarter	August 9, 2010
2nd Quarter	November 10, 2010
3rd Quarter	February 03, 2011
4th Quarter	May 13, 2011

**DATE OF BOOK CLOSURE**

Tuesday, September 20, 2011 to Friday, September 23, 2011 (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

\* *The Listing fees payable to BSE and DSE for 2011-12 have been paid in full by the Company.*

\* *The Securities of the Company has been delisted from UPSE w.e.f. March 30, 2011.*

\* *The application filed with DSE for delisting is in process.*

**COMPLIANCE OFFICER**

**Name:** Pallavi Agarwal  
**Phone no.:** 0562-4048600  
**Facsimile:** 0562-4048666  
**E-mail -Id:** [cs@howardhotelslimited.com](mailto: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 2010-11 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, 2011, 7496280 shares of the company constituting 82.26 % of the paid up capital are in dematerialized form.

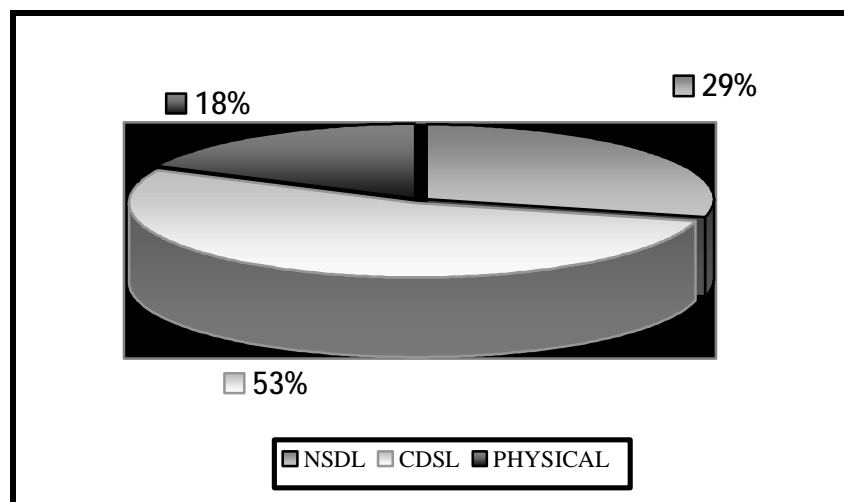
For guidance on depository services, shareholders may write to the company or to the respective depositories:

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

#### SHAREHOLDING IN DEMAT & PHYSICAL

The number & % of shares held in physical and dematerialized form as on March 31, 2011 are as under:

<b>Particulars</b>	<b>No. of Equity Shares</b>	<b>% to Share Capital</b>
NSDL	2626037	28.82
CDSL	4870243	53.44
Physical	1616920	17.74
<b>Total</b>	<b>9113200</b>	<b>100</b>





**DISTRIBUTION OF SHAREHOLDING**

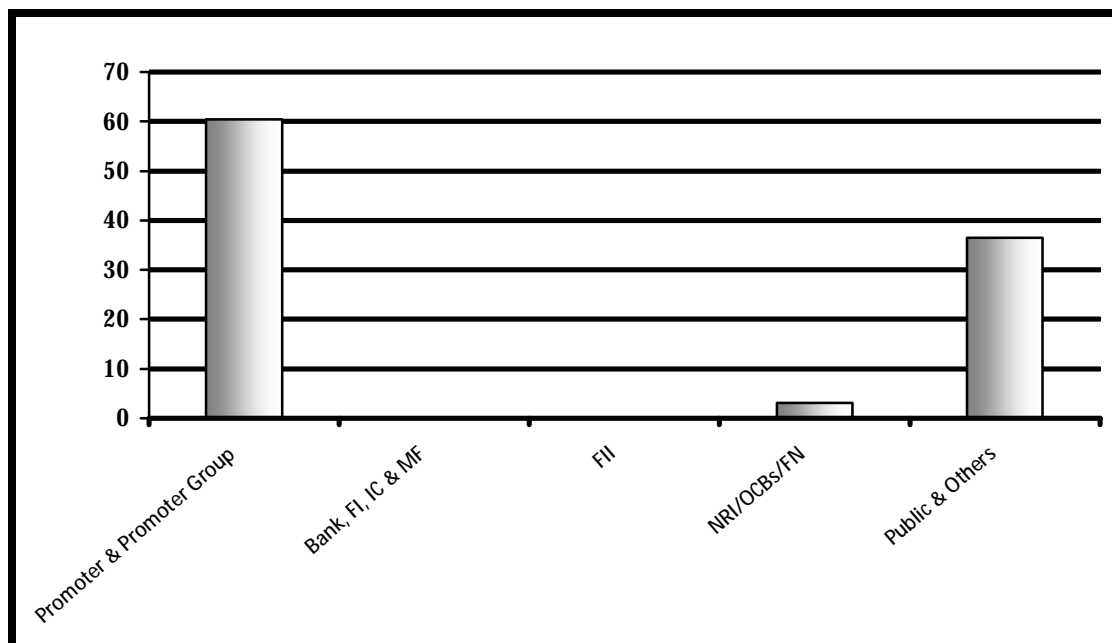
Distribution of shareholding of the Company as on March 31, 2011 is as under:

Range	No. of Shareholders	% of Shareholders	Number of Shares	% of Total Shares
Upto 2500	4586	66.842	671583	7.369
2501-5000	1442	21.017	513188	5.631
5001-10000	545	7.943	415640	4.561
10001-20000	134	1.953	208366	2.286
20001-30000	45	0.656	116264	1.276
30001-40000	24	0.350	84388	0.926
40001-50000	20	0.292	92632	1.016
50001-100000	31	0.452	222392	2.440
100001 & Above	34	0.496	6788747	74.494
<b>Total</b>	<b>6861</b>	<b>100.00</b>	<b>9113200</b>	<b>100.00</b>

**CATEGORY OF SHAREHOLDERS**

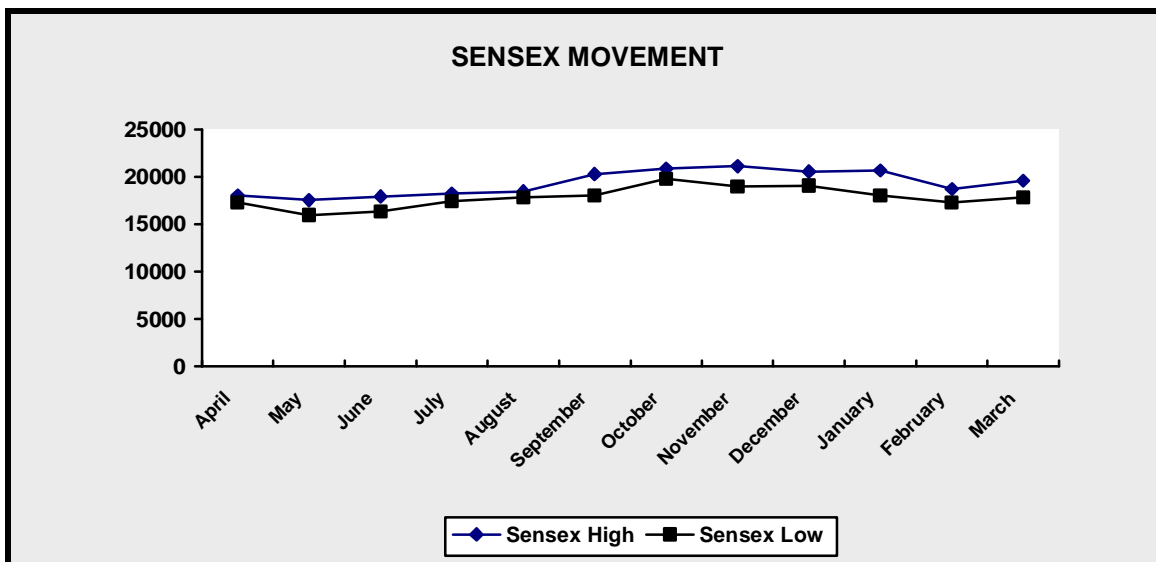
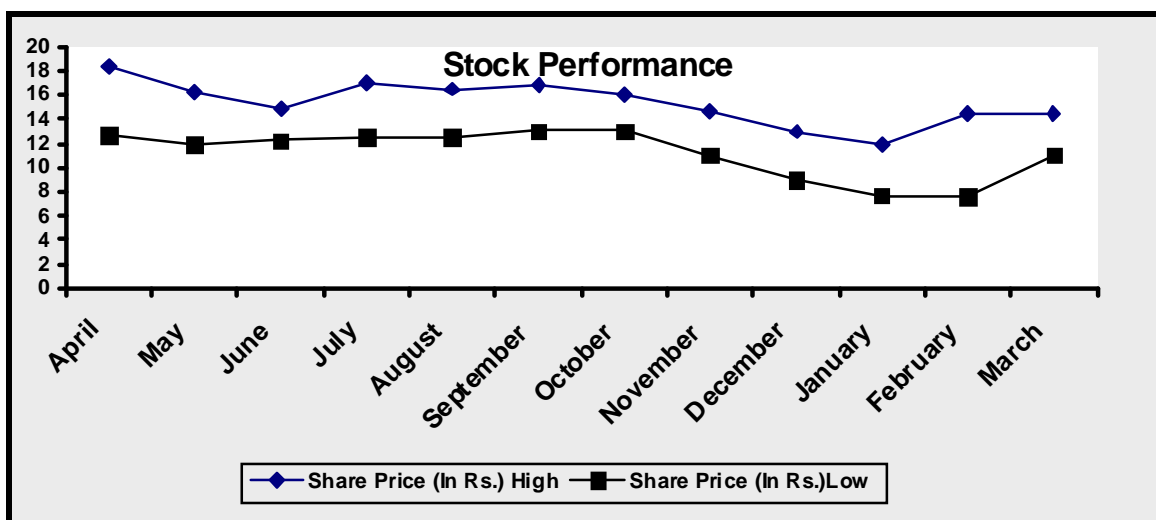
Categories of Shareholders of the company as on March 31, 2011 are as under:

Category	No. of Shares held	Percentage
Promoters & Promoter Group	5508500	60.445
Banks, Financial Institution, Insurance Company and Mutual Fund	NIL	NIL
Foreign Institutional Investors	NIL	NIL
NRIs/OCBs/Foreign Nationals	283347	3.109
Public and Others	3321353	36.446
<b>Total</b>	<b>9113200</b>	<b>100.00</b>



**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 10	18.31	12.70	18,047.86	17,276.80
May 10	16.20	11.90	17,536.86	15,960.15
June 10	14.79	12.20	17,919.62	16,318.39
July 10	17.00	12.46	18,237.56	17,395.58
August 10	16.49	12.45	18,475.27	17,819.99
September 10	16.85	13.00	20,267.98	18,027.12
October 10	16.00	13.00	20,854.55	19,768.96
November 10	14.69	11.00	21,108.64	18,954.82
December 10	12.99	9.01	20,552.03	19,074.57
January 11	11.97	7.66	20,664.80	18,038.48
February 11	14.40	7.63	18,690.97	17,295.62
March 11	14.49	11.00	19,575.16	17,792.17



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

The Company in its Meeting of Board of Directors held on September 3, 2010 has allotted 1800000 equity shares to the warrant holders consequent upon conversion of equal number of warrants allotted to the promoter group in accordance with the provisions of section 81(A) of the Companies Act, 1956 and with the Guidelines for preferential issue issued by SEBI under Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The full consideration amount has been received by the Company before conversion and allotment.

The aforesaid 1800000 equity shares have been duly listed with Bombay Stock Exchange, \*Delhi Stock Exchange and \* U P Stock Exchange.

\* Presently, The Equity Shares of the Company have been delisted from U.P. Stock Exchange Ltd vide letter no. UPSE/2010-11/LISTING/4797 dated March 30, 2011. The application filed with Delhi Stock Exchanges for delisting is in process.

However, the Equity Shares of the Company will continue to be listed on Bombay Stock Exchange Ltd.

Now, there is no issued/outstanding ADRs/GDRs/Warrants or any convertible instruments.

## **HOTEL LOCATION**

(i) Howard Sarovar Portico  
Fatehabad Road,  
Agra-282001

(ii) Pandara Road Restaurant  
Sanjay Place,  
Agra

## **ADDRESS FOR CORRESPONDENCE**

i. Registered Office: Howard Hotels Limited  
20, Maurya Complex,  
B-28 Subhash Chowk,  
Laxmi Nagar,  
Delhi-110092

ii. Corporate Office: Howard Sarovar Portico  
Fatehabad Road,  
Agra-282001

**For & on behalf of  
Board of Directors of  
HOWARD HOTELS LIMITED**

**Sd /-  
[Nirankar Nath Mittal]  
Chairman & Managing Director**

**Place: Agra  
Date: August 11, 2011**

## 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, 2011.

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**

**Agra (U.P.)**  
**August 11, 2011**

**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, 2011:

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2011 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, 2011 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/-**  
**Nirankar Nath Mittal**  
**(Chairman & Managing Director)**

**Sd/-**  
**Nirvikar Nath Mittal**  
**(Whole Time Director)**

**Place: Agra**  
**Date: August 11, 2011**

# AUDITORS' REPORT

To,  
The Members,  
Howard Hotels Limited.  
New Delhi

## REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011 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, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 "13" 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, 2011 ; 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: Agra (U.P.)  
DATED: August 11, 2011

**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, 2011**

- 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 seven parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 316.12 lacs and the year-end balance of loans taken from such parties was Rs. 186.25 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, 2011 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.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where disputes pending
UP Sales Tax Act	Sales Tax Demand	Rs. 8,53,897/- (net of advance)	2007-2008	Additional Commissioner

- 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: Agra (U.P.)**  
**DATED: August 11, 2011**



# BALANCE SHEET

As at March 31, 2011

PARTICULARS		AS AT MARCH 31, 2011 Amount (Rs.)	AS AT MARCH 31, 2010 Amount (Rs.)
<b>1. SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	91,132,000.00	73,132,000.00
Share Warrants		-	11,450,000.00
Reserves & Surplus	2	21,258,799.79	7,270,354.30
		112,390,799.79	91,852,354.30
<b>Borrowed Funds</b>			
Secured Loans	3	-	-
Unsecured Loans	4	15,000,000.00	30,300,000.00
Inter Unit Balances		-	-
		15,000,000.00	30,300,000.00
<b>Deferred Tax Liabilities</b>		7,045,434.00	2,152,431.00
<b>TOTAL</b>		<b>134,436,233.79</b>	<b>124,304,785.30</b>
<b>2. APPLICATIONS OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	154,194,184.50	147,993,964.12
Less: Accumulated depreciation		66,881,272.14	60,662,452.61
Net Block		87,312,912.36	87,331,511.51
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	6	887,323.00	843,156.35
Sundry Debtors		6,822,243.14	9,844,357.86
Cash & Bank Balances		40,631,979.75	28,758,667.03
Loans & Advances		12,653,363.34	8,910,200.60
		60,994,909.23	48,356,381.84
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	7	9,914,313.80	7,704,410.05
Provisions		3,957,274.00	3,678,698.00
<b>Net Current Assets</b>		47,123,321.43	36,973,273.79
<b>TOTAL</b>		<b>134,436,233.79</b>	<b>124,304,785.30</b>
Significant Accounting Policies & Notes to the Accounts	13		

As per our Report of even date attached

For &amp; 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: Agra (U. P.)  
Date: August 11, 2011

# PROFIT & LOSS ACCOUNT

For the year ended March 31, 2011

PARTICULARS		AS AT MARCH 31, 2011 Amount (Rs.)	AS AT MARCH 31, 2010 Amount (Rs.)
<b><u>INCOME</u></b>			
(a) Income from operation	8	102,184,388.11	86,170,037.00
(b) Other Income	9	2,789,574.74	3,055,307.46
	<b>TOTAL</b>	<b>104,973,962.85</b>	<b>89,225,344.46</b>
<b><u>EXPENDITURE</u></b>			
(a) Food, Beverage, Tobacco etc. Consumed	10	11,158,228.97	8,582,814.34
(b) Operating & Administrative Expenses	11	69,344,289.66	56,667,686.31
(c) Financial Expenses	12	3,401,373.20	3,844,219.51
(d) Depreciation	5	6,218,819.53	5,457,241.58
	<b>TOTAL</b>	<b>90,122,711.36</b>	<b>74,551,961.73</b>
Profit before Taxation		14,851,251.49	14,673,382.73
Provision for Tax			
- Current Tax (MAT)		2,959,929.00	2,493,741.00
- Wealth Tax		19,803.00	13,927.00
- Deferred Tax charged / (credit)		4,893,003.00	5,047,480.00
- Fringe Benefit Tax		-	-
- Earlier Year Tax		-	46,568.41
MAT credit entitlement		2,959,929.00	2,493,741.00
Prior Period Expenses		-	81,853.00
<b>Profit for the Year</b>		<b>9,938,445.49</b>	<b>9,483,554.32</b>
<b>Add: Balance brought forward from Previous Year *</b>		<b>7,270,354.30</b>	<b>(2,213,200.02)</b>
<b>Surplus / (deficit) carried over to Balance Sheet</b>		<b>17,208,799.79</b>	<b>7,270,354.30</b>
<b>Basic &amp; Diluted Earning Per Share</b> (Face value of Rs. 10/- each)			
<b>Basic</b>		<b>1.09</b>	<b>1.30</b>
<b>Diluted</b>		<b>1.09</b>	<b>1.25</b>
Significant Accounting Policies & Notes to the Accounts	13		

As per our Report of even date attached

For &amp; 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: Agra (U. P.)  
Date: August 11, 2011

## SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

As at March 31, 2011

PARTICULARS	AS AT MARCH 31, 2011 Amount (Rs.)	AS AT MARCH 31, 2010 Amount (Rs.)
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized</b>		
1,00,00,000 Equity Shares of Rs. 10/- each	100,000,000.00	100,000,000.00
<b>Issued, Subscribed &amp; Paid Up</b>		
91,13,200 (P.Y. 73,13,200) Equity Shares of Rs. 10/- each fully paid up	91,132,000.00	73,132,000.00
	91,132,000.00	73,132,000.00
<b>Schedule 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Securities Premium Account		
-Balance B/f	-	-
Add: Addition during the year	4,050,000.00	-
Profit & Loss Account	17,208,799.79	7,270,354.30
	21,258,799.79	7,270,354.30
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
	-	-
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
From Directors / Ex Director	15,000,000.00	30,300,000.00
	15,000,000.00	30,300,000.00
<b>Schedule 6</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Inventories</b>		
(a) Food, Beverage, Tobacco etc.	336,305.00	205,711.76
(b) Crockery, Cutlery , Glassware etc.	99,428.00	20,905.09
(c) Stores and Spare parts etc	451,590.00	616,539.50
	887,323.00	843,156.35
<b>B. Sundry Debtors</b>		
(Unsecured, considered good)		
(a) Debts outstanding for a period exceeding six months	744,102.86	1,225,503.00
(b) Other debts	6,078,140.28	8,618,854.86
	6,822,243.14	9,844,357.86
<b>C. Cash and Bank Balances</b>		
(a) Cash and Foreign Currency in Hand	426,814.11	301,982.38
(b) Balance with scheduled banks	-	-
- Deposit Account	31,270,736.00	23,874,351.00
- Current Accounts	8,934,429.64	4,576,886.84
(c) Balance with Post Office *	-	5,446.81
* pledge with Govt. Deptt.		
	40,631,979.75	28,758,667.03

PARTICULARS	AS AT MARCH 31, 2011 Amount (Rs.)	AS AT MARCH 31, 2010 Amount (Rs.)
<b>D. Loans and Advances</b>		
(a) Advance recoverable in cash or in kind or for value to be received	3,172,184.17	3,136,964.43
(b) Prepaid Taxes	3,114,073.17	2,366,059.17
(c) MAT Credit entitlement	6,367,106.00	3,407,177.00
	12,653,363.34	8,910,200.60
<b>GRAND TOTAL A+B+C+D</b>	<b>60,994,909.23</b>	<b>48,356,381.84</b>
<b>Schedule 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. Current Liabilities</b>		
(a) Sundry Creditors	4,084,041.14	2,426,557.75
(b) Other Current Liabilities	3,935,745.71	4,279,523.21
(c) Advance from Customers	1,537,336.95	747,139.09
(d) Security Deposits	357,190.00	251,190.00
	9,914,313.80	7,704,410.05
<b>B. Provisions</b>		
(a) Provision for Retirement Benefits	977,542.00	1,171,030.00
(b) Provision of Wealth Tax	19,803.00	13,927.00
(c) Provision For Income Tax	2,959,929.00	2,493,741.00
	3,957,274.00	3,678,698.00
<b>GRAND TOTAL A+B</b>	<b>13,871,587.80</b>	<b>11,383,108.05</b>
<b>Schedule 8</b>		
<b>INCOME FROM OPERATIONS</b>		
(a) Rooms	65,003,379.09	57,301,094.65
(b) Food & Beverage	33,768,236.42	25,364,567.38
(c) Other Services	3,412,772.60	3,504,374.97
	102,184,388.11	86,170,037.00
<b>Schedule 9</b>		
<b>OTHER INCOME</b>		
(a) FDR Interest ( TDS Rs. 270484/- Pr. Yr.Rs.176473/-)	1,838,984.00	1,570,656.00
(b) Rent Received	435,180.00	545,373.00
(c) Incentive on Foreign Currency	-	28,070.00
(d) Miscellaneous Income	515,410.74	911,208.46
	2,789,574.74	3,055,307.46
<b>Schedule 10</b>		
<b>FOOD &amp; BEVERAGE, TOBACCO ETC. CONSUMED</b>		
Opening Stock	205,711.76	202,820.78
Add: Purchases	11,288,822.21	8,585,705.32
	11,494,533.97	8,788,526.10
Less : Closing Stock	336,305.00	205,711.76
Consumption	11,158,228.97	8,582,814.34

PARTICULARS	AS AT MARCH 31, 2011 Amount (Rs.)	AS AT MARCH 31, 2010 Amount (Rs.)
<b><u>Schedule 11</u></b>		
<b>OPERATING &amp; ADMINISTRATIVE EXPENSES</b>		
Director Remuneration	6,005,000.00	6,005,000.00
Salaries & Wages	12,981,865.49	11,727,093.65
Contribution to Provident & Other Fund	1,089,423.00	928,200.00
F&B and Other Expenses	826,684.03	624,516.91
Printing & Stationary	669,427.25	595,420.77
Staff Welfare Expenses	216,436.58	60,573.50
Rent, Rates & Taxes	1,713,867.81	1,347,554.16
Guest Supplies	625,011.07	600,356.34
Room Purchases	225,857.05	37,848.00
Power & Fuel	15,389,822.68	11,424,080.55
Postage & Telegram	155,953.00	143,322.50
Insurance	378,177.00	275,246.00
Advertisement & Sales Promotion	262,278.00	270,542.00
Management & Franchise Fees	5,945,295.00	5,023,710.00
Commission	130,193.75	30,195.00
Renovation & Renewal Expenses	2,775,260.89	2,912,489.78
Upkeep & Maintenance	4,066,580.68	3,473,994.37
<b>REPAIR &amp; MAINTENANCE</b>		
-Building	4,264,140.00	1,858,804.40
-Furniture & Fixtures	942,012.00	841,987.60
-Plant & Machinery	1,678,857.23	1,911,763.09
-Other/Electrical/Boilers	3,358,161.00	2,070,561.81
Legal & Professional Charges	2,377,632.37	1,635,583.53
Miscellaneous Expenses	565,415.16	826,329.57
Festival Expenses	125,231.00	223,910.00
A.G.M.Expenses	203,160.00	167,765.00
Telephone & Fax	590,519.05	518,812.90
Traveling & Conveyance Expenses	1,307,475.50	749,805.32
Commission on Credit Cards	408,373.07	337,489.12
Loss on Sale of Assets	-	556.44
<b>AUDITOR'S REMUNERATION</b>		
Audit Fee	66,180.00	40,000.00
Audit Expenses	-	4,174.00
	69,344,289.66	56,667,686.31
<b><u>Schedule 12</u></b>		
<b>FINANCIAL CHARGES</b>		
Bank Charges	75,912.20	27,554.51
Interest on Car Loan	-	1,324.00
Interest on Unsecured Loan	3,325,461.00	3,815,341.00
	3,401,373.20	3,844,219.51

SCHEDULE 5 OF FIXED ASSETS AS ON 31ST MARCH 2011											
S. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 01.04.2010	Additions during the year	Deductions	Total as on 31.03.2011	up to 01.04.2010	For the year	Deductions	Total as on 31.03.2011	W.D.V. as on 31.03.2011	W.D.V. as on 31.03.2010
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	16,600,852.58	1,230,223.79	-	17,831,076.37	57,642,775.63	58,872,999.42
3	Plant & Machinery	46,814,302.90	1,906,745.59	-	48,721,048.49	27,779,146.36	2,501,673.61	-	30,280,819.97	18,440,228.52	19,035,156.54
4	Furniture & Fixture	11,747,574.00	2,600,112.79	-	14,347,686.79	11,565,198.18	1,216,717.53	-	12,781,915.71	1,565,771.08	182,375.82
5	Vehicle	7,538,660.22	1,347,617.00	-	8,886,277.22	2,600,883.50	748,090.94	-	3,348,974.44	5,537,302.78	4,937,776.72
6	Computer	3,074,660.00	345,745.00	-	3,420,405.00	2,116,371.99	522,113.67	-	2,638,485.66	781,919.34	958,288.01
	<b>T O T A L</b>	<b>147,993,964.12</b>	<b>6,200,220.38</b>	<b>-</b>	<b>154,194,184.50</b>	<b>60,662,452.61</b>	<b>6,218,819.53</b>	<b>-</b>	<b>66,881,272.14</b>	<b>87,312,912.36</b>	<b>87,331,511.51</b>
	<b>Previous Year</b>	<b>144,536,948.90</b>	<b>4,892,215.22</b>	<b>1,435,200.00</b>	<b>147,993,964.12</b>	<b>56,339,854.60</b>	<b>5,457,241.58</b>	<b>1,134,643.56</b>	<b>60,662,452.61</b>	<b>87,331,511.51</b>	<b>88,197,094.30</b>

## SCHEDULE "13"-- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

### 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:

- a) In respect of guarantees issued, net of margin: Rs. Nil (P.Y. Rs. Nil).
- b) In respect of Sales Tax Rs. 8,53,897/- (net of advance) (P.Y. Rs. Nil), as the appeal has been filled with the concerned department.

**3. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:**

S. No.	Particulars	March 31, 2011 Amount (Rs.)	March 31, 2010 Amount (Rs.)
	<b>Deferred Tax Liabilities</b>		
a.	Difference in depreciation for accounting and tax purposes	<b>19,539,764.00</b>	20,912,123.00
	<b>Deferred Tax Assets</b>		
a.	Unabsorbed Depreciation	<b>12,039,694.00</b>	18,238,870.00
b.	Provision for Retirement Benefits	<b>324,642.00</b>	3,98,033.00
c.	Disallowance of Provision for Bonus	<b>129,994.00</b>	1,22,789.00
d.	Others	--	--
	<b>Total Deferred Tax Assets</b>	<b>12,494,330.00</b>	18,759,692.00
	<b>Net Deferred Tax Assets/ (Liability)</b>	<b>(7,045,434.00)</b>	(2,152,431.00)

**4. 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, 2011:

**a) Key Management Personnel & their relatives:**

Mr. Nirankar Nath Mittal	:	Chairman & Managing Director
Mr. Nirvikar Nath Mittal	:	Executive Director
Mr. Shrikant Mittal	:	Executive Director
Mrs. Brij Lata Mittal	:	Brother's Wife of Mr. Nirankar Nath Mittal
Mrs. Neena Mittal	:	Wife of Mr. Nirvikar Nath Mittal
Mrs. Sarita Mittal	:	Wife of Mr. Nirankar Nath Mittal
Mr. Saurabh Mittal	:	Brother of Mr. Nirankar Nath Mittal
Jyoti Prasad Mittal(HUF)	:	Mr. Nirankar Nath Mittal is the Karta of HUF
Nirankar Nath Mittal (HUF)	:	Mr. Nirankar Nath Mittal is the Karta of HUF
Nirvikar Nath Mittal (HUF)	:	Mr. Nirvikar Nath Mittal is the Karta of HUF
Omakr Nath Mittal (HUF)	:	Mr. Shrikant Mittal is the Karta of HUF

**b) Enterprises over which personnel referred in (a) aforementioned exercise significant influences:**

Mittal Fragrances Pvt. Ltd.	:	Company in which directors' are interested
Rishi Real Estates India Pvt. Ltd.	:	Company in which directors' are interested
Fragrance De Energy	:	Firm in which directors' relative are interested
Exquisite	:	Firm in which directors' relative are interested
D'Craft	:	Firm in which directors' relative are interested

Related Party Transactions	(Rs. In Lacs)		
	A	b	Total
<b>Particulars</b>			
Directors' Remuneration	60.00	-	60.00
Lease rent	3.86	-	3.86
Interest Expenses	33.25	-	33.25
Allotment of Shares	-	220.50	220.50
Rent Received	-	4.80	4.80
<b>Total</b>	<b>97.11</b>	<b>225.30</b>	<b>322.41</b>
<b>Balance outstanding:</b>			
- Due from	--	--	--
- Due to	150.00	---	150.00



<b>Previous year</b>	<b>A</b>	<b>b</b>	<b>Total</b>
Loan Repaid	175.98	0.00	175.98
Directors' Remuneration	60.00		60.00
Interest Payment	38.15	0.00	38.15
Lease rent	0.05		0.05
<b>Total</b>	<b>274.18</b>	<b>0.00</b>	<b>274.18</b>
<b>Balance outstanding:</b>			
- Due from	--	--	--
- Due to	303.00	---	303.00

### Segmental Reporting

5. 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.

6. Amount paid/ payable to Auditors:

	<b>31st March 2011 (Rs)</b>	<b>31st March 2010 (Rs)</b>
a) Audit Fee	<b>66,180.00</b>	40,000.00
b) Reimbursement Expenses	-	4,174.00
c) Legal Expenses	<b>4,41,200.00</b>	-
<b>Total</b>	<b>5,07,380.00</b>	<b>44,174.00</b>

7. Basic and diluted earning per share:

<b>S.No.</b>	<b>Particulars</b>	<b>31st March 2011</b>		<b>31st March 2010</b>	
		<b>Basic EPS</b>	<b>Diluted EPS</b>	<b>Basic EPS</b>	<b>Diluted EPS</b>
a.	Net Profit for the year (Rs. In Lacs)	<b>99.38</b>	<b>99.38</b>	94.83	94.83
b.	Weighted Average No of Equity Shares used in computing Basic- Earning per Share	<b>83,48,816</b>	<b>83,48,816</b>	73,13,200	73,13,200
c.	Weighted average number of equity shares from diluted instruments	-	-	-	2,56,081
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	<b>83,48,816</b>	<b>83,48,816</b>	73,13,200	75,69,281
e.	Nominal Value of Equity shares- (Rs.)	<b>10.00</b>	<b>10.00</b>	10.00	10.00
f.	Earning Per Shares (Rs.)	<b>1.09</b>	<b>1.09</b>	1.30	1.25

## 8. Managerial remuneration paid to the Managing Director/ Whole-Time Director/ Non- Whole-Time Directors:

	31st March 2011 (Rs)	31st March 2010 (Rs)
Director's Remuneration	60,00,000.00	60,00,000.00
Contribution to PF & other Funds	Nil	Nil
Perquisites	Nil	Nil
Director's Sitting fees	5,000.00	5,000.00

9. 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.

10. 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.

11. In the opinion of Board of Directors, none of the assets/ cash generating units of the Company is impaired.

12. 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.

## 13. Foreign Currency Encashed &amp; Outgo (Amount Rs. in Lacs)

	31st March 2011	31st March 2010
Total Foreign Currency Encashed	105.86	107.00
Total foreign Currency Earned	97.18	110.93
Total Foreign Currency outgo	--	---

14. 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.

15. Figures have been rounded off to the nearest rupee.

16. 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 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: Agra (U. P.)  
Date: August 11, 2011

Sd/-  
[Pallavi Agarwal]  
Company Secretary

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

<b>PARTICULARS</b>		<b>Amount in thousands</b>
<b>I</b>	<b>Registration details</b>	
	Registration No.	038622
	State code	55
	Balance Sheet date	31.03.2011
<b>II</b>	<b>Capital raised during the year</b>	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement *	18,000.00
	* Share warrants allotted	
<b>III</b>	<b>Position of mobilisation and deployments of funds</b>	
	Total Liabilities	134,436
	Total Assets	134,436
	<b>Source of funds</b>	
	Paid-up capital	91,132
	Share Warrants	-
	Reserves and Surplus	21,259
	Secured Loans	-
	Unsecured Loans	15,000
	Deferred Tax Liability	7,045
		<b>134,436</b>
	<b>Application of funds :</b>	
	Net Fixed Assets	87,313
	Investments	-
	Net Current Assets	47,123
	Misc. Expenditure	-
	Deferred Tax Assets	-
	Accumulated Losses	
		<b>134,436</b>
<b>IV</b>	<b>Performance of the Company</b>	
	Turnover	104,974
	Total expenditure	90,123
	Profit before tax	14,851
	Profit after tax	9,938
	Earning per share of Rs. 100/- each- Basic & Diluted	
	- Basic	Rs. 1.09
	- Diluted	Rs. 1.09
	Dividend Rate	Nil

<b>V</b>	<b>Generic name of principal products of the Company</b>	
	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

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: Agra (U. P.)  
Date: August 11, 2011

Sd/-  
[Pallavi Agarwal]  
Company Secretary

# CASH FLOW STATEMENT

For the year ended March 31, 2011

PARTICULARS	YEAR ENDED MARCH 31, 2011 Amount (Rs.)	YEAR ENDED MARCH 31, 2010 Amount (Rs.)
<b><u>A. Cash flow from operating activities</u></b>		
Net profit before tax but after exceptional items	14,851,251	14,673,383
<b>Adjustments for</b>		
Depreciation	6,218,820	5,457,242
Loss on Sale of assets	-	556
Interest Expenses	3,401,373	3,844,220
<b>Operating profit before working capital changes</b>	<b>24,471,444</b>	<b>23,975,400</b>
<b><u>Adjustments for change in working capital</u></b>		
Decrease / (increase) in inventory	(44,167)	47,153
Decrease / (increase) in debtors	3,022,115	(193,376)
Decrease / (increase) in loans & advances	(3,743,163)	(4,424,450)
(Decrease) / increase in Retirement Benefits	(193,488)	183,031
(Decrease) / increase in current liabilities	2,209,904	(914,364)
<b>Cash generated from operation</b>	<b>25,722,645</b>	<b>18,673,394</b>
Prior Period Income / (Expenses)	-	81,853
Income Tax (paid)	-	46,568
<b>Net cash from operating activities (a)</b>	<b>25,722,645</b>	<b>18,801,816</b>
<b><u>B. Cash flow from investing activities</u></b>		
Sale of fixed assets	-	1,435,200
Purchases of fixed assets	6,200,220	4,892,215
<b>Net cash from investing activities (b)</b>	<b>(6,200,220)</b>	<b>(3,457,015)</b>
<b><u>C. Cash flow from financing activities</u></b>		
Proceeds from Issue of Warrants	-	-
Proceeds/(Repayments) of Secured long term borrowings	-	(98,267)
Proceeds/(Repayments) of Unsecured long term borrowings	(15,300,000)	(8,400,000)
Interest Expenses	(3,401,373)	(3,844,220)
<b>Net cash from financing activities (c)</b>	<b>(18,701,373)</b>	<b>(12,342,487)</b>
<b>Net increase/decrease in cash &amp; cash equivalents (a+b+c)</b>	<b>821,052</b>	<b>3,002,314</b>
Cash & cash equivalents at the opening of the year	28,758,667	25,756,353
Cash & cash equivalents at the closing of the year	40,631,979	28,758,667
(refer schedule 10 (c) of Financial Statement)	0	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

For & on behalf of the Board of Directors

**P. C. Bindal & Co.**  
Chartered Accountants

Sd/-  
[CA V. K. Gupta]  
Partner  
M. No. 096422  
FRN No. 003824N  
Place: Agra (U. P.)  
Date: August 11, 2011

Sd/-  
[Nirankar Nath Mittal]  
Chairman & Managing Director

Sd/-  
[Nirvikar Nath Mittal]  
Executive Director

Sd/-  
[Pallavi Agarwal]  
Company Secretary

# HOWARD HOTELS LIMITED

Regd. Off: 20, Maurya Complex, B-28,  
Subhash Chowk, Laxmi Nagar, Delhi-110092

## ATTENDANCE CARD

22<sup>nd</sup> Annual General Meeting, Friday, September 23, 2011 at 10.00 A.M.

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

Name.....

Address.....

.....

I/ We hereby record my/ our presence at the 22<sup>nd</sup> Annual General Meeting of the Company being held on Friday, September 23, 2011 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: 20, Maurya Complex, B-28,  
Subhash Chowk, Laxmi Nagar, Delhi-110092

## FORM OF PROXY

22<sup>nd</sup> Annual General Meeting, Friday, September 23, 2011 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 ..... of  
..... or failing him/her ..... of  
..... as my/our proxy to vote for me/us and on my/our behalf at 22<sup>nd</sup> Annual General Meeting of  
the Company to be held on Friday, September 23, 2011 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 ..... 2011.

.....  
(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*