

# HOWARD HOTELS LIMITED

## ANNUAL REPORT 2012-2013



### **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

Ravi Kant Bansal

### **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

### **Stock Exchange Where Company's Securities Are Listed**

**Bombay Stock Exchange Limited**

### **Bankers**

Punjab National Bank

HDFC Bank Limited

IDBI Bank Limited

### **Registrar & Share Transfer Agent**

#### **Link Intime India Pvt. Ltd.**

44 Community Centre, 2nd Floor,

Naraina Industrial Area,

Phase-I, Near PVR Naraina,

New Delhi-110028

### **Registered Office**

#### **Howard Hotels Limited**

20, Maurya Complex,

B-28 Subhash Chowk,

Laxmi Nagar,

New Delhi-110092

### **Corporate Office**

Howard Plaza

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

## **Contents**

Notice of Annual General Meeting	02
Directors' Report	05
Management Discussion & Analysis Report	08
Report on Corporate Governance	11
Auditors' Certificate on Corporate Governance	23
CEO/CFO Certification	24
Auditors' Report	25
Annexure to the Auditors' Report	26
Balance Sheet	28
Statement of Profit & Loss	29
Notes to Financial Statement	30
Significant Accounting Policies & Notes to Accounts	36
Cash Flow Statement	40
Attendance Slip and Proxy Form	41

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 24th (Twenty Fourth) Annual General Meeting of **HOWARD HOTELS LIMITED** will be held on 5<sup>th</sup> September, 2013 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, 2013 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 Annul 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, following resolution as special resolution

**“RESOLVED THAT** Pursuant to the provision of section 198, 269, 302, 309, 310 read with provisions of the schedule XIII of the companies act 1956 and other applicable provision, if any, of the companies act ,1956 (including any statutory modification or reenactment there of for the time being enforceable) the consent of the members of the company be and as is hereby granted to reappointment of Shri Kant Mittal as the Whole Time Director of the Company for a period of Five Years with effect from 16<sup>th</sup> October,2013 on the Following terms and condition as approved by remuneration committee of the Board:

- (i) Terms of re-appointment:5years w.e.f. 16<sup>th</sup> October,2013
- (ii) Salary Rs.,150,000/-(One Lac Fifty Thousand only) Per month.
- (iii) Contribution to the provident fund, family benefit fund, superannuation fund as per rule of the Company.
- (iv) Gratuity as per rules of the Company.”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized 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 doubts that may arise in relation thereto including to decide breakup of the remuneration.”

**Place: Agra**  
**Date: 2<sup>nd</sup> August, 2013**

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

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

Sd/-  
**(Shrikant Mittal )**  
**Director**

**Notes:**

1. The register of the members and share transfer books of the Company shall remain closed from Monday, September 2, 2013 to Thursday, September 5, 2013(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	Uday Bhan Singh Sikarwar	Rakesh Kumar Agarwal
Date of Birth	12/07/1932	03/05/1960
Date of appointment/re-appointment	04/01/2003	30/04/2007
Qualifications	Post Graduate	M.Com, FCA
Expertise in specific functional areas	Human Resources	Accounts And Finance
List of other Indian Public Limited Companies in which Directorship held as on 31.03.2013	NIL	NIL
Shareholdings in the company as on 31.03.2013	35000	NIL
Inter-se relationship	NIL	NIL

Place: Agra  
Date: 2<sup>nd</sup> August, 2013

By order of the Board  
HOWARD HOTELS LIMITED

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

Sd/-  
[Shrikant Mittal]  
Director

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(1) of the Companies act,1956)

Item no 5

Mr. Shri Kant Mittal was appointed by the Company as Whole Time Directors of the Company for a period of Five w.e.f.16-10-2008 and his term of appointment shall cease on 15-10-2013 The Board at the Meeting held on August 2<sup>nd</sup> ,2013. has based on the recommendation of remuneration committee for the reappointment, terms and conditions and remunerations, approved re-appointment of Mr. Shri Kant Mittal for a further period of Five years w.e.f. 16<sup>th</sup> October,2013. Shri Kant Mittal have adequate experience and qualifications. Looking into thier experience in the management of the affaires of the Company, your Directors consider that their appointment shall be in the best interest in the Company.

Except Mr. Nirankar Nath Mittal and Mr. Nirvikar Nath Mittal, none of the directors of the Company is interested or concerned in the resolution.

**Place: Agra**

**Date: 2<sup>nd</sup> August, 2013**

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

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

**Sd/-  
(Shri Kant mittal]  
Director**

## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Director's have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2013.

### FINANCIAL HIGHLIGHTS

The Performance of the Company for the financial year ended 31<sup>st</sup> March 2013 is summarized below:

PARTICULARS	(₹ In Lacs)	
	CURRENT YEAR (2012-13)	PREVIOUS YEAR (2011-12)
<b>1. Total Income</b>	<b>873.31</b>	<b>1052.46</b>
Less: i) Operating, Administrative & other Exp.	743.74	847.43
<b>2. Earning before interest and depreciation</b>	<b>129.57</b>	<b>205.03</b>
Less: i) Interest	24.08	18.24
ii) Depreciation	76.91	69.58
<b>3. Profit before Tax</b>	<b>28.58</b>	<b>117.21</b>
Less: provision for Tax		
i) Current	5.45	23.45
iii) Deferred	8.41	34.67
iv) MAT Credit	(5.45)	(23.45)
<b>4. Profit after Tax</b>	<b>20.17</b>	<b>82.54</b>
Add: Balance of Profit as per last Balance Sheet	<b>254.63</b>	<b>172.09</b>
<b>5. Balance available for appropriation</b>	<b>274.80</b>	<b>254.63</b>

### COMPANY'S PERFORMANCE

During the year under review, the Company has total revenues of ₹ 873.31 Lacs as compared to ₹ 1052.46 Lacs during the previous year. The net profit for the year under review has been ₹ 20.17 Lacs as against ₹ 82.54 Lacs during the previous year. The divergent trend in profit is on account of Hotel remained under renovation for a considerable period. Your directors are continuously looking for avenues for future growth of the Company in Hotel Industry.

### DIRECTORS

At the ensuing Annual General Meeting Uday Bhan Singh Sikarwar and 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.

### 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, 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, 2012 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

	(₹In Lacs)	
	March 31, 2013	March 31, 2012
Total Foreign Currency Earned	56.74	95.88
Total Foreign Currency Outgo (traveling)	26.51	21.94

## 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, 2013, 82.81% of the Company's paid-up capital representing 7546541 Equity Shares is in dematerialized form with both the depositories as compared to 82.64% representing 7531223 equity shares for the previous year ending March 31, 2012.

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**

Place: Agra  
Date: 2<sup>nd</sup> August, 2013

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Hospitality is about serving the guests to provide them with “feel good effect”. In India, the guest is treated with utmost warmth and respect and is provided the best services. India is an ideal destination for tourists. Approximately 4.4 million tourists visit India every year. 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 STRUTURE AND DEVELOPMENT**

### **ECONOMIC OVERVIEW**

The Indian economic growth was slightly down in 2012-13 because of various factors, both global and internal. Slow progress of economic reforms is expected to pull down India’s growth to 5.8 per cent in 2013 from 6 per cent projected earlier. Slower economic expansion of world output and recent corporate governance issues are some of the main reasons. Headline inflation surged sharply to its highest level in more than a year, maintaining pressure on the RBI for a fresh dose of interest-rate hikes despite flagging economic growth. Sharp higher year-on-year inflation in food items, and fuel products led to the spike in the headline estimates. Slow progress of economic reforms is expected to pull down India’s growth to 5.8 per cent in 2013 from 6 per cent projected earlier India's deficit stems mainly from large oil and gold imports, and Singh said the government was taking serious measures to reduce demand for both products, while expressing hope that a weak rupee would bolster exports.

The services sector also witnessed a slow pace in growth on account of the lagged effects of monetary policy tightening, the elevated level of inflation and the heightened uncertainty about the global economic outlook.

### **HOSPITALITY AND TOURISM INDUSTRY OVERVIEW**

India's rich cultural heritage and history, food, friendly people, architectural monuments, hospitality and services are positive strengths for its tourism sector, which make it ahead of many of the emerging markets.

Today, tourism is the most vibrant tertiary sectors and has a strong hold on the economy. The sector contributes 6.23 per cent to the national gross domestic product (GDP) and 8.78 per cent of the total employment in India. Moreover, India stands 42nd in the world rankings in terms of foreign tourist arrivals (FTAs) in the country, according to a report titled 'Competitiveness of Tourism Sector in India with Selected Other Countries of the World' by Ministry of Tourism. The World Travel and Tourism Council (WTTC) named India as one of the fastest growing tourism industries for the next 10 to 15 years.

### **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. But in the year 2013, international tourism will grow at a slower rate.

The amount of foreign direct investments (FDI) inflow into the hotel and tourism sector during April 2000 to January 2013 was worth US\$ 6,561.78 million, as per data provided by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce

### **FOREIGN TOURIST ARRIVALS**

Foreign Tourist Arrivals during the month of June 2013 were 4.44 lacs as compared to FTAs of 4.33 lacs during the month of June 2012 and 4.05 lacs in June 2011. The growth was 2.5% more than in June 2012. The growth of FEEs this year was 8.5% more as compared to FEEs of 2012. Foreign tourist arrivals in India grew by 2.6 percent in the first six months of 2013.

### **OPPORTUNITIES & STRENGTHS**

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

- Increased tourist movement
- Economic growth
- 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. Since demand of hotel is affected by world economic growth, a global recession could lead to down turn in hotel industry.

In addition to economic risks, your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities etc., which may affect the level of travel and business activity.

The hotel industry needs quality employees and with demand for the same improving across the industry, the Company feels that wage inflation would be a critical factor in determining costs for the company. Thus, your company will continue to focus on improving manpower efficiencies and creating a lean organization, while maximizing effectiveness in terms of customer service and satisfaction, which is an area of great importance for your company.

## **MEASURES UNDERTAKEN BY THE GOVERNMENT**

The Ministry of Tourism, Government of India, through its 14 offices overseas endeavors to position India in the tourism generating markets as a preferred tourism destination, to promote various Indian tourism products vis-à-vis competition faced from various destinations and to increase India's share of the global tourism market. The Ministry of Tourism, Government of India, through its 14 offices overseas endeavors to position India in the tourism generating markets as a preferred tourism destination, to promote various Indian tourism products vis-à-vis competition faced from various destinations and to increase India's share of the global tourism market.

As part of the promotional initiatives undertaken, Road Shows were organized in important tourist generating markets overseas with participation of different segments of the travel industry.

- Road Shows, in collaboration with the Indian Association of Tour Operators were organized in CIS Countries, during the months of September-October 2010. Road Shows in collaboration with the PATA India Chapter were organised in May 2010 in USA and Canada. The Road Shows comprised presentations on India followed by one-to-one business meetings between the trade delegation from India and the travel trade in the respective countries. The delegation for the Road Shows was led by the Secretary (Tourism).

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. The terms hotel includes restaurants, beach resorts and other tourism complexes providing accommodation and /or catering and food facilities to tourists. The term tourism related industry includes:

- Travel agencies, tour operating agencies and tourist transport operating agencies
- Units providing facilities for cultural, adventure and wildlife experience to tourists
- Surface, air and water transport facilities for tourists
- Convention/seminar units and organization

## **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 report analyzes how supplier media spend, marketing and sales strategies and business practices are set to change in the hotel industry during 2012-2013. This report gives you access to the media channel spending outlooks, media budgets, marketing agency selection criteria, business challenges and sales tactics of leading suppliers.

Another major growth driver that has significantly influenced hospitality marketing in India today is Social Networking Sites. “This has facilitated easy access to the product offering and allowed customers to share their experiences and connect with the brands on their own anytime, anywhere. Most hospitality brands have taken cognizance of this behaviour, and steps to leverage this real-time customer feedback and service channel for their advantage,”

Currently more than one-fifth (22 percent) use social media as a revenue generating tool with a further 27 percent planning to do so over the next five years. Plus, social media will become more of a key component of Search Engine Results Page (SERP) algorithms.. Hotels can no longer afford to linger over adding social media to their marketing mix. It’s now a necessary element of traffic-driving success. In the recent times, Centre has announced that the Hotel and Tourism sector is a high priority sector. This highlights the confidence evinced in the Indian hospitality sector with the aim to boost investments in the sector and to develop job opportunities therefrom.

#### **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’ constant focus on employee engagement and satisfaction has contributed key talents in the businesses. Creativity & dedication of all the employees represent the most precious assets of the Company. The industrial relations continue to be cordial.

#### **APPRECIATION**

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

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

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

**Place: Agra  
Date: 2<sup>nd</sup> August, 2013**

## **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
Ravi Kant Bansal	Director	Non Executive & Independent

### B. BOARD MEETINGS

During the financial year ended March 31, 2013, (Seventeen.) meetings of the Board were held, as follow:

S. No.	Dates of Board Meeting	Board strength	No. of directors present
01.	April 03, 2012	6	6
02.	May 14,2012	6	6
03.	May 24,2012	6	4
04.	June 4,2012	6	6
05.	June 16,2012	6	6
06.	August 2,2012	6	6
07.	August 7,2012	6	6
08.	August 17,2012	6	4
09.	August 18,2012	6	6
10.	August 25,2012	6	4
11.	September 7, 2012	6	4
12.	September 17,2012	6	6
13.	October 1,2012	6	4
14.	November 7,2012	6	6
15.	January 8,2013	6	4
16.	January 9,2013	6	5
17.	February 6,2013	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, 2013 and in the last AGM of the Company is as follow

S. No.	Name of Director	No. of Board Meeting attended out of 17 held during the year	Attendance at the last AGM
01.	Nirankar Nath Mittal	17	√
02.	Nirvikar Nath Mittal	17	√
03.	Shri Kant Mittal	17	χ
04.	Rakesh Kumar Agarwal	15	√
05.	Uday Bhan Singh Sikarwar	11	χ
06.	Ravi Kant Bansal	12	χ

#### D. DIRECTORSHIP AND CHAIRMANSHIP/MEMBERSHIP

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

Name of Director	*No. of directorship in other public companies	In committees of the Company		**In committees of other public companies	
		Chairmanship	Membership	Chairmanship	Membership
Nirankar Nath Mittal	NIL	-	-	NIL	NIL
Nirvikar Nath Mittal	NIL	-	-	NIL	NIL
Shri Kant Mittal	NIL	-	1	NIL	NIL
Rakesh Kumar Agarwal	NIL	2	-	NIL	NIL
Uday Bhan Singh Sikarwar	NIL	1	2	NIL	NIL
Ravi Kant Bansal	NIL	-	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 statement review of financial and risk management policies of the Company, review of adequacy of Internal Control Systems, review of

Annual budget and variance reports, review of Audit reports including internal audit reports and review of Management discussion and analysis of financial conditions and results of operations.

## ii. COMPOSITION

Presently, the Audit Committee consists of three directors as members. 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. Ravi Kant Bansal	Non-Executive & Independent	Member

## iii. MEETING AND ATTENDANCE

During the financial year ended March 31, 2013, 4 (Four) meetings of the Audit Committee were held, as follows:

S. No.	Date	Committee Strength	No. of Members present
01.	April 16,2012	3	3
02.	July 30,2012	3	3
03.	October 27,2012	3	3
04.	February 4,2013	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. Uday Bhan Singh Sikarwar	4
Mr. Ravi Kant Bansal	4

## 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.

### i. COMPOSITION

Presently, the Remuneration Committee consists of three directors as members. The composition of Remuneration Committee is as under:

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

### ii. MEETING AND ATTENDANCE

During the financial year ended March 31, 2013, 2 (Two) 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. Rakesh Kumar Agarwal	2

Mr. Ravi Kant Bansal	1
Mr. Uday Bhan Singh Sikarwar	2

## ii. REMUNERATION POLICY

All the Executive Directors receive remuneration while Non-Executive Directors receive sitting fees of ₹ 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 2012-2013 are as under:

(₹ In Lac)								
Name	Designation	Tenure of appointment	Salary and Allowance	Sitting fees	Perquisi-tes	Contribution to Provident and other funds	Comm-ission	Total
Mr. Nirankar Nath Mittal	Chairman & Managing Director (Executive)	3 years w.e.f. 16.10.2011	24,00,000	Nil	1,27,044	NIL	NIL	25,27,044
Mr. Nirvikar Nath Mittal	Whole Time Director	3 years w.e.f. 07.09.2011	22,28,000	Nil	Nil	NIL	NIL	22,28,000
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. Rakesh Kumar Agarwal	Non-Executive & Independent Director	-	NIL	3750	NIL	NIL	NIL	3000
Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent Director	-	NIL	2750	NIL	NIL	NIL	2000
Mr. Ravi Kant Bansal	Non-Executive & Independent Director	-	NIL	3000	NIL	NIL	NIL	500

### 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, 2013	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**

Presently, the Share Transfer & Investors Grievance Committee consists of three directors as members. The composition of Share Transfer & Investors Grievance Committee is as under:

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

#### **ii. COMPLAINTS**

There were no pending share transfers/ investors' complaints as on March 31, 2013.

#### **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, 2013, 12 (Twelve) 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	12
Mr. Shri Kant Mittal	12
Mr. Ravi Kant Bansal	12

#### **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 2, 2013 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, 2013.

Agra  
August 2, 2013

Sd/-  
**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 "The Pioneer" 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
2012	AGM	05.09.2012	<b>The Executive Club</b> c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	NO
2011	AGM	23.09.2011	<b>The Executive Club</b> c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	1. Re-appointment of Managing Director 2. Re-appointment of Whole time Director. 3. Appointment of Director
2010	AGM	17.09.2010	<b>The Executive Club</b> c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	NO

## **POSTAL BALLOT**

For the year ended March 31, 2013, 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 in 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 2012-13 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 Notes of 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>Thursday, 5<sup>th</sup> September, 2013,</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 2012-13

1st Quarter Unaudited	August 02, 2012
2nd Quarter Unaudited	November 07,2012
3rd Quarter Unaudited	February 06, 2013
4th Quarter Audited	May 29,2013

## DATE OF BOOK CLOSURE

Monday, September 2, 2013 to Thursday, September 5, 2013 (both days inclusive)

## LISTING ON STOCK EXCHANGES

- i. Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001  
Stock code: 526761

- *The Listing fees payable to BSE for 2013-14 have been paid in full by the Company.*

## COMPLIANCE OFFICER

**Name:** Shrikant Mittal  
**Phone no.:** 0562-4048600  
**Facsimile:** 0562-4048666  
**E-mail -Id:** cs@howardhotelslimited.com

## REGISTRAR & SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

**M/s Link Intime India Pvt. Ltd.**  
**44,Community Centre,2<sup>nd</sup> Floor,**  
**Naraina Industrial Area,**  
**Phase-I, Near PVR Naraina,**  
**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 2012-13 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, 2013, 7546541 shares of the company constituting 82.81 % of the paid up capital are in dematerialized form.

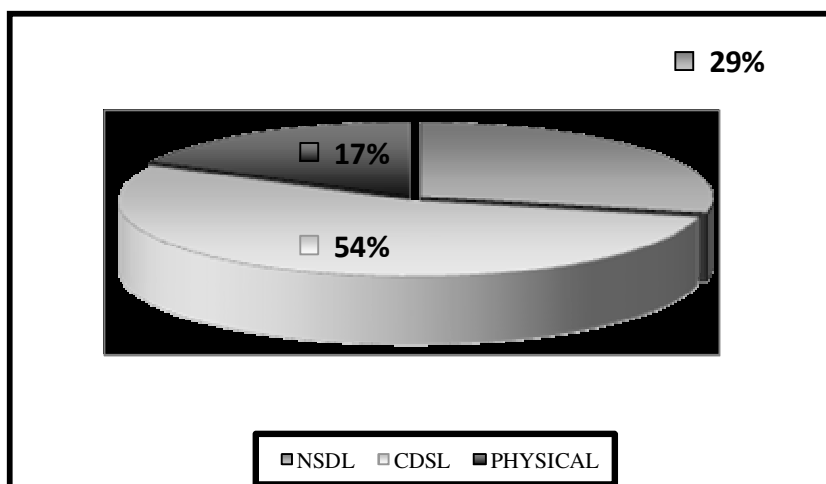
For guidance on depository services, shareholders may write to the company or to the respective depositories:

<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: info@nsdl.co.in 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: investors@cdslindia.com Website: www.cdslindia.com

### SHAREHOLDING IN DEMAT & PHYSICAL

The number & % of shares held in physical and dematerialized form as on March 31, 2012 are as under:

<b>Particulars</b>	<b>No. of Equity Shares</b>	<b>% to Share Capital</b>
NSDL	2603775	28.57
CDSL	4942766	54.24
Physical	1566659	17.19
<b>Total</b>	<b>9113200</b>	<b>100</b>



### DISTRIBUTION OF SHAREHOLDING

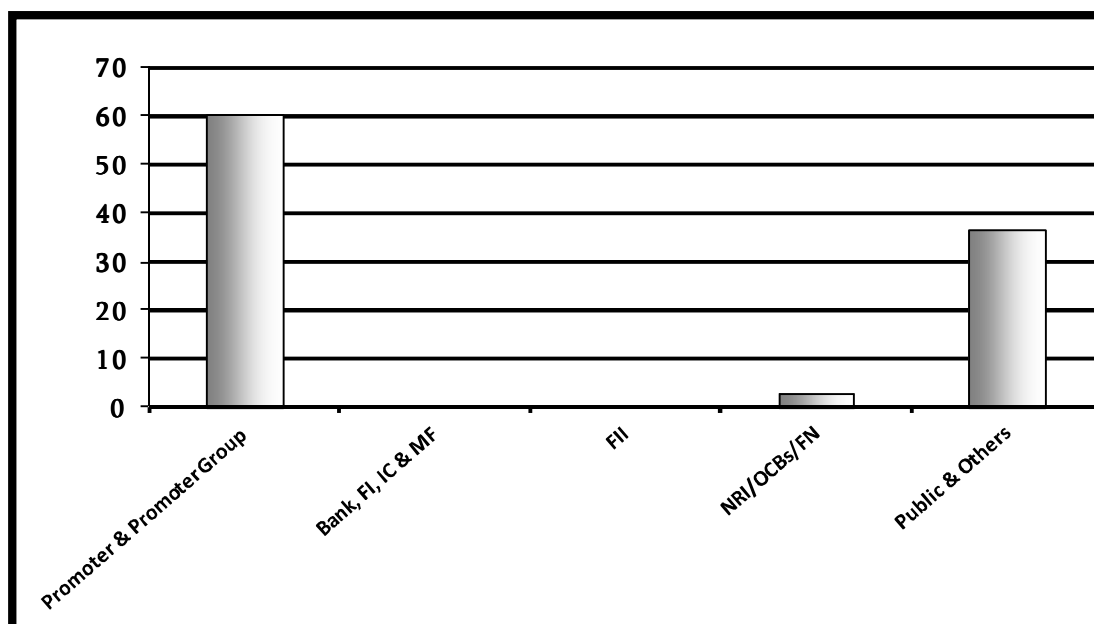
Distribution of shareholding of the Company as on March 31, 2013 is as under:

Range	No. of Shareholders	% of Shareholders	Number of Shares	% of Total Shares
1-500	6047	88.3161	1148893	12.6069
501-1000	516	7.5361	391038	4.2909
1001-2000	136	1.9863	212385	2.3305
2001-3000	41	0.5988	108092	1.1861
3001-4000	19	0.2775	66342	0.7280
4001-5000	20	0.2921	92735	1.0176
5001-10000	33	0.4820	238095	2.6126
10001-*****	35	0.5112	6855620	75.2274
<b>Total</b>	<b>6847</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, 2013 are as under:

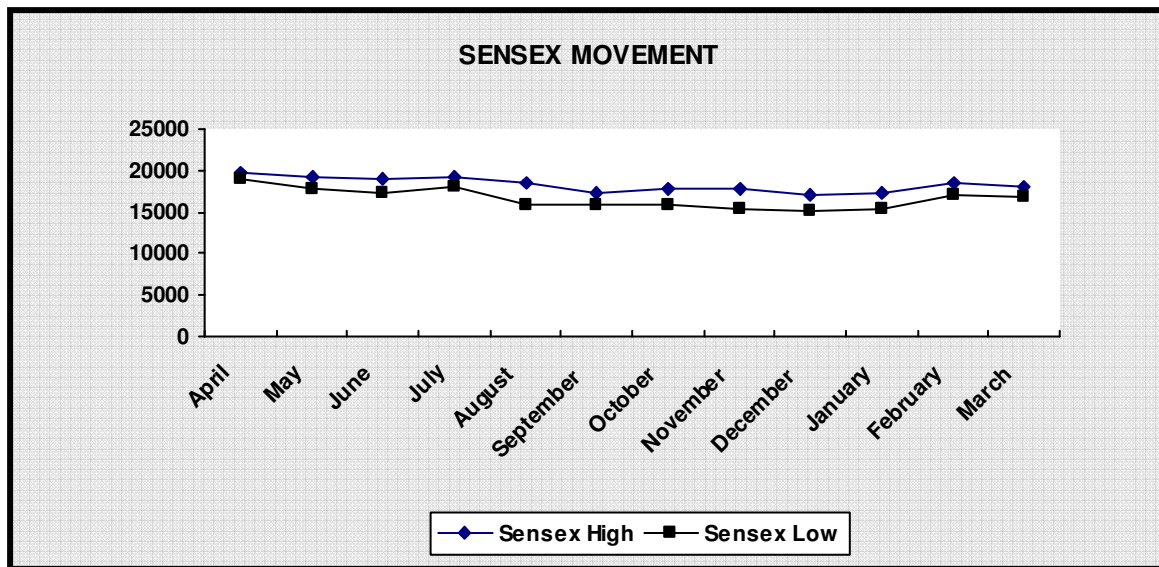
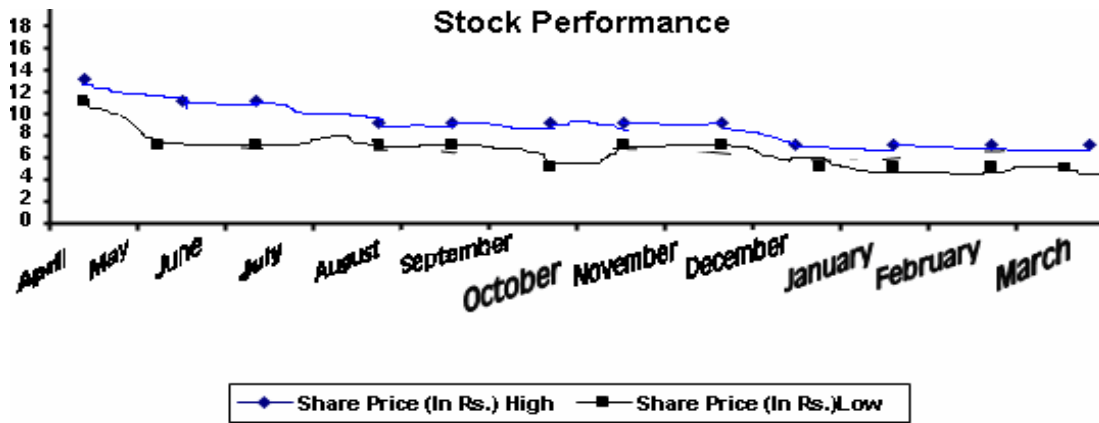
Category	No. of Shares held	Percentage
Promoters & Promoter Group	5508500	60.445
Banks, Financial Institution, Insurance Company and Mutual Fund	NIL	NIL
Foreign Institutional Investors	NIL	NIL
NRIs/OCBs/Foreign Nationals	268714	2.94
Public and Others	3335986	36.60
<b>Total</b>	<b>9113200</b>	<b>100.00</b>



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

Month	Share Price at BSE (₹)	BSE Sensex
-------	------------------------	------------

	High	Low	High	Low
April 12	12.16	10.66	17,664.10	17,010.16
May 12	11.52	9.70	17,432.33	15,809.71
June 12	10.91	9.32	17,448.48	15,748.98
July 12	11.50	9.04	17,631.19	16,598.48
August 12	10.34	8.37	17,972.54	17,026.97
September 12	10.14	8.15	18,869.94	17,250.80
October 12	10.22	8.76	19137.29	18393.42
November 12	9.64	8.06	19,372.70	18,255.69
December 12	9.79	8.11	19,612.18	19,149.03
January 13	9.74	8.00	20,203.66	19,508.93
February 13	9.31	7.29	19,966.69	18,793.97
March 13	8.84	8.00	19,754.66	18,568.43



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

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

**HOTEL LOCATION**

(i) Howard Plaza  
Fatehabad Road,  
Agra-282001

**ADDRESS FOR CORRESPONDENCE**

- i. Registered Office: Howard Hotels Limited  
20, Maurya Complex,  
B-28 Subhash Chowk,  
Laxmi Nagar,  
Delhi-110092
- ii. Corporate Office: Howard Plaza  
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 2, 2013**

## **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, 2013.

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.

**Agra (U.P.)  
August 2, 2013**

**For P. C. BINDAL & Co.  
Chartered Accountants  
Sd/-  
(K. C. Gupta)  
Partner  
M.No. 088638**



## **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, 2013:

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2013. 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, 2013 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 2, 2013**

# AUDITORS' REPORT

To,  
The Members,  
Howard Hotels Limited.  
New Delhi

## REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2013 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, 2013, 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, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 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 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, 2013;
    - b) In the case of Profit & Loss Account, of the Profit of the company for the year ended on that date and
    - 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**  
**FRN. No. 003824N**  
**Sd/-**

**(CA K. C. Gupta )**  
**Partner**  
**M.No.088638**

**PLACE: Agra (U.P.)**  
**DATED: May 29, 2013**

**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, 2013**

- 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 three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 367 lacs and the year-end balance of loans taken from such parties was 305 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 31<sup>st</sup> March, 2013 for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute
- x) In our opinion, the company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) In our opinion, and according to the information and explanations given to us, the company has not taken any term loans during the year.
- xvii) According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long-term investment.
- xviii) According to the information & explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- 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**  
**FRN. No. 003824N**  
**Sd/-**

**(CA K. C. Gupta )**  
**Partner**  
**M.No.088638**

**PLACE: Agra (U.P.)**  
**DATED: May 29, 2013**

# BALANCE SHEET

As at 31<sup>st</sup> March 2013

Particulars	Note No.	AS AT MARCH 31, 2013 (₹ In Lacs )	AS AT MARCH 31, 2012 (₹ In Lacs )
<b><u>I. EQUITY AND LIABILITIES</u></b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	911.32	911.32
(b) Reserves and Surplus	2	315.30	295.13
<b>2. Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		113.54	105.13
(b) Long-Term Provisions	3	8.91	7.36
<b>4. Current Liabilities</b>			
(a) Short-Term Borrowings	4	305	35.95
(b) Trade Payables	5	33.34	69.71
(c) Other Current Liabilities	6	67.39	23.76
(d) Short-Term Provisions	7	5.64	-
<b>TOTAL</b>		<b>1,760.44</b>	<b>1,448.36</b>
<b><u>II. ASSETS</u></b>			
<b>1. Non-Current Asset</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	1259.24	891.93
(ii) Intangible Assets	9	7.76	6.29
(iii) Capital work-in-progress			13.17
(b) Other Non-Current Assets	10	19.08	43.25
<b>2. Current Assets</b>			
(b) Inventories	11	13.75	9.73
(c) Trade Receivables	12	131.15	71.42
(d) Cash and Cash Equivalents	13	176.19	256.13
(e) Short-Term Loans and Advances	14	0.68	0.50
(f) Other Current Assets	15	152.59	155.94
<b>TOTAL</b>		<b>1760.44</b>	<b>1,448.36</b>
See accompanying notes to the financial statements	22 to 38		

## Auditors Report

As per our Report of even date attached

P. C. Bindal & Co.

Chartered Accountants

Sd/-

[CA K. C. Gupta]

Partner

M. No. 088638

FRN No. 003824N

Place: Agra (U. P.)

Date: May 29, 2013

For & on behalf of the Board of Directors

Sd/-

[Nirankar Nath Mittal]  
Chairman & Managing Director

Sd/-

[Nirvikar Nath Mittal]  
Whole Time Director

# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2013

Particulars	Note No.	AS AT MARCH 31, 2013 (₹ In Lacs)	AS AT MARCH 31, 2012 (₹ In Lacs )
I. Revenue from operation	16	846.96	1006.65
II. Other Incomes	17	26.35	45.81
<b>III. Total Revenue (I+ II)</b>		<b>873.31</b>	<b>1052.46</b>
<b>IV. Expenses</b>			
Material consumption	18	110.48	122.90
Employee Benefit Expenses	19	230.19	228.43
Finance Costs	20	24.08	18.24
Depreciation and Amortization Expense	8& 9	76.91	69.58
Other Expenses	21	403.07	496.10
<b>V. Total Expenses</b>		<b>844.73</b>	<b>935.25</b>
<b>VI. Profit before tax (III-V)</b>		<b>28.58</b>	<b>117.21</b>
<b>IX. Tax Expense:</b>			
(1) Current tax(MAT)		5.45	23.45
(2) Deferred tax		8.41	34.67
(3) MAT Credit entitled		5.45	23.45
<b>X. Profit for the period</b>		<b>20.17</b>	<b>82.54</b>
<b>XVI. Earning Per Equity Share of ₹.10/- each</b>			
(1) Basic		0.22	0.91
(2) Diluted		0.22	0.91
<b>See accompanying notes to the financial statements</b>	<b>22 to 38</b>		

**Auditors Report**

As per our Report of even date attached

For & on behalf of the Board of Directors

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

Sd/-  
[CA K. C. Gupta]  
Partner

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

Sd/-  
[Nirvikar Nath Mittal]  
Whole Time Director

M. No. 088638  
FRN No. 003824N

Place: Agra (U. P.)  
Date: May 29, 2013

# NOTES TO FINANCIAL STATEMENT

For The Year ended 31<sup>st</sup> March, 2013

PARTICULARS	As at March 31,2013 (₹ In Lacs )	As at March 31,2012 (₹ In Lacs )
<b>NOTE 1</b>		
<b>SHARE CAPITAL</b>		
<u>Authorised Shares</u>		
1,00,00,000 Equity Shares of ₹ 10 each	1,000.00	1,000.00
<u>Issued,Subscribed &amp; fully paid up shares</u>		
91,13,200 Equity Shares of ₹ 10 each fully paid up	911.32	911.32

## A. Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	No. of Shares held	(₹ In Lacs )	No. of Shares held	(₹ In Lacs )
At the beginning of period	9,113,200	911.32	7,313,200	731.32
Issued during the period	-	-	1,800,000	180.00
<b>Outstanding at the end of period</b>	<b>9,113,200</b>	<b>911.32</b>	<b>9,113,200</b>	<b>911.32</b>

## B. Terms/Right attached to Equity Shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## C. Details of shareholder holding more than 5% shares in the company.

Name of Shareholders	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity share of Rs. 10 each fully paid				
<b>Nirankar Nath Mittal</b>	<b>7,24,593</b>	<b>7.95%</b>	<b>7,24,593</b>	<b>7.95%</b>
<b>Nirvikar Nath Mittal</b>	<b>6,14,266</b>	<b>6.74%</b>	<b>6,14,266</b>	<b>6.74%</b>
<b>Brij Lata Mittal</b>	<b>6,97,167</b>	<b>7.65%</b>	<b>6,97,167</b>	<b>7.65%</b>
<b>Mittal Fragrances Pvt. Ltd.</b>	<b>1,161,900</b>	<b>12.75%</b>	<b>1,161,900</b>	<b>12.75%</b>
<b>Rishi Real Estates India Pvt. Ltd.</b>	<b>1,000,000</b>	<b>10.97%</b>	<b>1,000,000</b>	<b>10.97%</b>
<b>Shree Nath Exports (India) Pvt. Ltd.</b>	<b>980,574</b>	<b>10.76%</b>	<b>980,574</b>	<b>10.76%</b>

PARTICULARS	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	(₹ In Lacs )	(₹ In Lacs )
<b>D. Other details of Equity Shares for a period of five years immediately preceding 31.03.2013:</b>		
Aggregate number of shares allotted as fully paid up pursuant to contract without being received in cash	Nil	Nil
Aggregate number of shares allotted as fully paid bonus shares	Nil	Nil
Aggregate number of shares bought back	Nil	Nil
<b>Note 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>(a)Securities Premium</b>		
As per Last Balance Sheet		
Add: addition during the year		
Closing Balance at the year end	40.50	-
	-	40.50
	<b>40.50</b>	<b>40.50</b>
<b>(b)Surplus i.e. Balance in the Statement of Profit &amp; Loss</b>		
As per Last Balance Sheet		
Add: addition during the year		
Closing Balance at the year end	254.63	172.09
<b>Total Reserve &amp; surplus</b>	20.17	82.54
	274.80	254.63
	<b>315.30</b>	<b>295.13</b>
<b>Note 3</b>		
<b>LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefit		
	8.91	7.36
	<b>8.91</b>	<b>7.36</b>
<b>Note 4</b>		
<b>SHORT TERM BORROWINGS</b>		
Loans and advances from Related Parties – Directors		
<b>Note 5</b>		
<b>TRADE PAYABLES</b>		
Outstanding to Micro, Small & Medium Enterprises		
Outstanding to Others	305	-
	-	<b>305.00</b>
<b>Note 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance from customers	35.95	40.84
Expense Payable	<b>35.95</b>	<b>40.84</b>
Taxes Payable		
Security Deposit		
Other Payables (specify nature)		
	13.21	16.90
	30.70	28.71
	10.67	12.07
	3.06	2.28
	9.75	9.75
	<b>67.39</b>	<b>69.71</b>



PARTICULARS	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	(₹ In Lacs )	(₹ In Lacs )
<b>Note 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for Tax	5.45	23.45
Provisions for wealth tax	0.19	0.31
	<b>5.64</b>	<b>23.76</b>
<b>Note 10</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Fixed Deposits	19.08	13.88
Capital Advances	-	29.37
	<b>19.08</b>	<b>43.25</b>
<b>Note 11</b>		
<b>INVENTORIES</b>		
(a) Food, Beverage, Tobacco etc.	6.31	2.99
(b) Crockery, Cutlery, Glassware etc.	0.21	0.68
(c) Stores and Spare parts etc	7.23	6.06
	<b>13.75</b>	<b>9.73</b>
<b>Note 12</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
-Outstanding for a period exceeding six months from due date	2.54	3.27
-Others	128.61	68.15
	<b>131.15</b>	<b>71.42</b>
<b>Note 13</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balance with Banks		
- Deposit Account	149.57	138.18
- Current Accounts	25.11	114.14
Cash on Hand	1.51	3.81
	<b>176.19</b>	<b>256.13</b>
<b>Note 14</b>		
<b>SHORT -TERM LOANS AND ADVANCES</b>		
Staff Advance	.68	0.50
Recoverable in cash or kind	-	-
	<b>.68</b>	<b>0.50</b>
	<b>(₹ In Lacs )</b>	

**NOTE 15****OTHER CURRENT ASSETS**

Prepaid Expenses	9.25	9.09
Advance to Suppliers	4.39	8.86
	26.91	33.18
Prepaid Taxes /Refund	92.56	87.12
MAT Credit	19.48	17.68
Others		
	<b>152.59</b>	<b>155.94</b>

**NOTE 16****REVENUE FROM OPERATIONS**

(a) Rooms	511.57	626.00
(b) Food & Beverage	309.89	344.80
(c) Other Services	25.50	35.85
	<b>846.96</b>	<b>1,006.65</b>

**NOTE 17****OTHER INCOMES**

Interest Income (TDS ₹. 3.96 lacs)	13.99	27.93
Other Non-Operating Income	4.27	4.35
- Rent Received	8.09	13.52
- Miscellaneous Income		
	<b>26.35</b>	<b>45.81</b>

**NOTE 18****MATERIAL CONSUMPTION**

Food & Beverage, Tobacco etc Consumed	110.48	122.90
	<b>110.48</b>	<b>122.90</b>

**NOTE 19****EMPLOYEE BENEFIT EXPENSES**

Salaries and Wages	154.02	149.84
Contribution to PF and Other Funds	12.65	12.60
Director Remuneration	63.07	65.05
Staff Welfare Expenses	0.45	0.94
	<b>230.19</b>	<b>228.43</b>

PARTICULARS	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	(₹ In Lacs )	(₹ In Lacs )
<b>NOTE 20</b>		
<b>FINANCE COST</b>		
Bank Charges	1.04	0.70
Interest Expense	23.04	17.54
	<b>24.08</b>	<b>18.24</b>
<b>NOTE 21</b>		
<b>OTHER ADMINISTRATIVE AND SELLING EXPENSES</b>		
Traveling & Conveyance	13.82	13.23
Postage & Telephone	0.75	1.75
Insurance	4.30	3.65
Rent, Rates & Taxes	16.75	31.54
Printing & Stationary	7.09	6.76
Guest Supplies	7.25	9.06
Room Purchases	2.57	1.45
Power & Fuel	165.98	143.03
Professional & Legal Expenses	7.95	9.11
Loss on sale of fixed Assets	0.27	4.27
Repair & Maintenance		
- Buildings	15.53	30.03
- Furniture & Fixtures	5.59	7.57
- Plant & Machinery	15.67	15.26
- Others	19.16	35.31
Marketing & Service Charges	5.13	5.07
Management & Franchise Fees	8.11	43.38
Commission	16.65	2.79
Renovation & Renewal Expenses	22.05	52.77
Upkeep & Maintenance	41.31	45.40
Festival Expenses	2.37	4.08
A.G.M. Expenses	2.70	2.26
Telephone & Fax	7.58	6.91
Auditors' Remuneration	1.12	1.43
Commission on Credit Cards	2.88	4.23
Misc Expenses	3.21	9.75
F & B Other expenses	6.69	5.70
Wealth Tax	0.19	0.31
	<b>403.07</b>	<b>496.10</b>

**NOTE 8****Tangible Assets As on 31<sup>st</sup> March 2013****(₹ In Lacs )**

PARTICULARS	GROSS BLOCK				DEPRICIATION BLOCK				NET BLOCK	
	Cost As on 1 <sup>st</sup> April 2012	Addition during the year	Deductions	Total as on 31 <sup>st</sup> March 2013	Up to 01.04.2012	For the year	Deductions	Total as on 31 <sup>st</sup> March 2013	W.D.V. as on 31.03.2013	W.D.V. as on 31.03.2012
LAND	33.45	-	-	33.45	-	-	-	-	33.45	33.45
BUILDING	754.74	383.48	-	1138.22	190.61	12.82	-	203.43	934.79	564.13
PLANT & MACHNERY	502.78	21.32	1.50	522.60	328.91	27.06	-	355.97	166.63	173.87
FURNITURE & FIXTURE	190.68	41.77	0.06	232.38	140.54	19.14	0.03	159.65	72.74	50.14
VEHICLE	104.62	-	18.17	86.46	40.75	9.92	14.77	35.90	50.56	63.87
COMPUTER	38.92	1.05	-	39.97	32.44	6.45	-	38.89	1.07	6.47
<b>TOTAL</b>	<b>1625.18</b>	<b>447.62</b>	<b>19.73</b>	<b>2053.08</b>	<b>733.26</b>	<b>75.38</b>	<b>14.79</b>	<b>793.84</b>	<b>1259.24</b>	<b>891.93</b>
Previous Year	1541.94	98.39	15.15	1625.18	668.81	69.35	4.91	733.26	891.93	873.13

**NOTE 9****Intangible Assets As on 31<sup>st</sup> March 2013**

PARTICULARS	GROSS BLOCK				BLOCK				NET BLOCK	
	Cost as on 01.04.2012	Addition during the year	Sale/Disposal during the year	Total as on 31.03.2013	Up to 01.04.2012	For the year	Adjustment	Total as on 31.03.2013	W.D.V. as on 31.03.2013	W.D.V. as on 31.03.2013
COMPUTER SOFTWARE	6.52	3.00	-	9.52	0.23	1.53	-	1.75	7.76	6.29
<b>TOTAL</b>	<b>6.52</b>	<b>3.00</b>	<b>-</b>	<b>9.52</b>	<b>0.23</b>	<b>1.53</b>	<b>-</b>	<b>1.75</b>	<b>7.76</b>	<b>6.29</b>
Previous Year	-	6.52	-	6.52	-	0.23	-	0.23	6.29	-

## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

### 22. 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

### 23. **Contingent Liabilities not provided for:**

- a) In respect of bank guarantees issued, net of margin: Rs. Nil (P.Y. Rs. Nil).
- b) In respect of Sales Tax Rs. Nil (net of advance) (P.Y. Rs. 2.32, Lacs, net of advances)

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

S. No.	Particulars	March 31, 2013 (₹ In Lacs )	March 31, 2012 (₹ In Lacs )
	<b>Deferred Tax Liabilities</b>		
a.	Difference in depreciation for accounting and tax purposes	175.88	179.66
	<b>Deferred Tax Assets</b>		
a.	Unabsorbed Depreciation	40.32	70.98
b.	Provision for Retirement Benefits	2.89	2.39
c.	Disallowance of Provision for Bonus	1.56	1.17
	<b>Total Deferred Tax Assets</b>	62.34	74.54
	<b>Net Deferred Tax Assets/ (Liability)</b>	(113.53)	(105.12)

**25. 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, 2013:

a) Key Management Personnel & their relatives:

Mr. Nirankar Nath Mittal : Chairman Cum Managing Director

Mr. Nirvikar Nath Mittal : Executive Director

Mr. Shrikant Mittal : Executive Director

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  
De-Exquisite : Firm in which directors’ relative are interested  
D’Craft : Firm in which directors’ relative are interested  
C & A Restaurant India Pvt. Ltd : Company in which director’ s are interested  
Shri Nath Exports ( India) Pvt.Ltd : Company in which director’ s are interested

<b>Related Party Transactions</b>	<b>(Rs. In Lacs)</b>		
<b>Particulars</b>	<b>A</b>	<b>b</b>	<b>Total</b>
Directors’ Remuneration	63.07	-	63.07
Lease rent	0.05	-	0.05
Loan Taken	340.00	27.00	367.00
Loan Repaid	35.00	27.00	62.00
Interest Expense	21.16	1.66	22.82
Rent Received	-	4.80	4.80
<b>Total</b>	<b>459.28</b>	<b>60.46</b>	<b>519.74</b>
<b>Balance outstanding:</b>			
- Due from	--	--	--
- Due to	305.00	---	305.00

Previous year	A	B	Total
Loan Repaid	0	0.00	0
Directors' Remuneration	65.05	0.00	65.05
Interest Payment	17.50	0.00	17.50
Lease rent	15.38	0.00	15.38
Allotment of shares	-	-	-
Rent Received	-	4.80	4.80
<b>Total</b>	<b>97.93</b>	<b>4.80</b>	<b>102.73</b>
<b>Balance outstanding:</b>			
- Due from	--	--	--
- Due to	1.88	---	1.88

**26. Segmental Reporting**

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.

**27. Amount paid/ payable to Auditors:**

	31st March 2013 (₹ In Lacs )	31st March 2012 (₹ In Lacs )
a) Audit Fee	1.12	1.1
b) Other Services	0	0.33
<b>Total</b>	<b>1.12</b>	<b>1.43</b>

**28. Basic and diluted earning per share:**

S.No.	Particulars	31st March 2013	31st March 2012
a.	Net Profit for the year (Rs. In Lacs)	20.17	82.54
b.	Weighted Average No of Equity Shares used in computing Basic- Earning per Share	91,13,200	91,13,200
c.	Weighted average number of equity shares from diluted instruments	-	-
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	91,13,200	91,13,200
e.	Nominal Value of Equity shares- (Rs.)	10.00	10.00
f.	Earning Per Shares (Rs.) Basic & Diluted	0.22	0.91

**29. Managerial remuneration paid to the Managing Director/ Whole-Time Director/ Non- Whole-Time Directors:**

	31st March 2013 (₹ In Lacs )	31st March 2012 (₹ In Lacs )
Salary	61.8	60.95
Perquisites	1.27	4.1
Director's Sitting fees	0.09	0.06

30. 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.

31. 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.

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

33. 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.

34. Foreign Currency Encased & Outgo	(Amount Rs. in Lacs)	
	31st March 2013	31st March 2012
Total Foreign Currency Encased	56.74	95.88
Total Foreign Currency outgo (Travelling)	1.26	1.14

35. CIF Value of Imports	(Amount Rs. in Lacs)	
	31st March 2013	31st March 2012
Capital Goods	25.25	20.8

36. **Capital Commitment**

Estimated amount of contracts remaining to be executed on Capital Account ( Net of Advances) Rs. 2.99 Lacs( Previous year- Nil)

37. 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.

38. Previous Year figures have been regrouped and rearranged, wherever applicable.

As per our Report of even date attached

For & on behalf of the Board of Directors

P. C. Bindal & Co.  
Chartered Accountants

Sd/-  
[CA K. C. Gupta]  
Partner

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

Sd/-  
[Nirvikar Nath Mittal]  
Whole Time Director

M. No. 088638  
FRN No. 003824N

Place: Agra (U. P.)  
Date: May 29, 2013



# CASH FLOW STATEMENT

For the year ended March 31, 2013

PARTICULARS	YEAR ENDED MARCH 31, 2013 (₹ In Lacs )	YEAR ENDED MARCH 31, 2012 (₹ In Lacs )
<b><u>A. Cash flow from operating activities</u></b>		
Net profit before tax but after exceptional items	28.58	117.21
<b>Adjustments for</b>		
Depreciation	76.91	69.58
Loss on Sale of assets	0.27	4.27
Finance Cost	24.08	18.24
<b>Operating profit before working capital changes</b>	<b>129.84</b>	<b>209.30</b>
<b><u>Adjustments for change in working capital</u></b>		
Decrease / (increase) in inventory	(4.02)	(0.86)
Decrease / (increase) in debtors	(59.73)	(3.20)
Decrease / (increase) in loans & advances	3.16	(29.90)
Decrease / (increase) in Non current assets	24.17	(35.64)
(Decrease) / increase in Retirement Benefits	1.55	(2.42)
(Decrease) / increase in current liabilities	(23.05)	0.48
<b>Cash generated from operation</b>	<b>71.93</b>	<b>137.76</b>
Prior Period Income / (Expenses)	-	-
Income Tax (paid)	-	-
<b>Net cash from operating activities</b> (a)	<b>71.93</b>	<b>137.76</b>
<b><u>B. Cash flow from investing activities</u></b>		
Sale of fixed assets	3.16	5.98
Purchases of fixed assets	(449.12)	104.91
Capital work in progress	13.17	13.17
<b>Net cash from investing activities</b> (b)	<b>(432.79)</b>	<b>(112.10)</b>
<b><u>C. Cash flow from financing activities</u></b>		
Proceeds from Allotment of Shares	-	-
Proceeds/(Repayments) of long term borrowings	(305.00)	(150.00)
Finance Cost	(24.08)	(18.24)
<b>Net cash from financing activities</b> (c)	<b>(280.92)</b>	<b>(168.24)</b>
<b>Net increase/decrease in cash &amp; cash equivalents</b> (a+b+c)	<b>(79.94)</b>	<b>(142.58)</b>
Cash & cash equivalents at the opening of the year	256.13	398.71
Cash & cash equivalents at the closing of the year	176.18	256.13
(refer schedule 13 of Financial Statement)		

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

As per our Report of even date attached  
P. C. Bindal & Co.

Chartered Accountants

Sd/-

[CA K. C. Gupta]

Partner

M. No. 088638

FRN No. 003824N

Place: Agra (U. P.)

Date: May 29, 2013

For & on behalf of the Board of Directors

Sd/-

[Nirankar Nath Mittal]

Chairman & Managing Director

Sd/-

[Nirvikar Nath Mittal]

Whole Time Director

# HOWARD HOTELS LIMITED

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

## ATTENDANCE CARD

24<sup>th</sup> Annual General Meeting, **September 5**, 2013 at 10.00 A.M.

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

I/ We hereby record my/ our presence at the 24<sup>th</sup> Annual General Meeting of the Company being held on September 5,2013 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

24<sup>th</sup> Annual General Meeting, September 5, 2013 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 24<sup>th</sup> Annual General Meeting  
of the Company to be held on September 5,2013 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 September 5 ,day of Thursday 2013.

.....  
(Member's Signature)

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

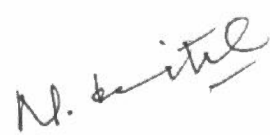

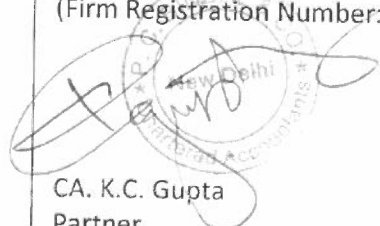
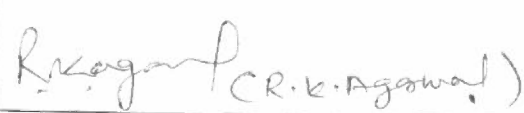
### Notes:

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.*

Form A

Covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	HOWARD HOTELS LIMITED
2.	Annual financial statements for the year ended	31.03.2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by	<p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO / E.D.</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul> </p> <p style="text-align: right;">               For P. C. BINDAL &amp; CO.            Chartered Accountants            (Firm Registration Number: 003824N)              CA. K.C. Gupta            Partner            M.No.088638   (R.K. Agawal)         </p>