



20th

**ANNUAL REPORT
FOR THE YEAR
2008-2009**

HOWARD HOTELS LIMITED

BOARD OF DIRECTORS

NIRANKAR NATH MITTAL

**CHAIRMAN AND
MANAGING DIRECTOR**

NIRVIKAR NATH MITTAL

WHOLE TIME DIRECTOR

SHRI KANT MITTAL

WHOLE TIME DIRECTOR

UDAY BHAN SINGH SIKARWAR

DIRECTOR

PAWANKUMAR

DIRECTOR

RAKESH KUMAR AGARWAL

DIRECTOR

AUDITORS

**P. C. BINDAL & CO.,
CHARTERED ACCOUNTANTS
718/21, JOSHI ROAD,
KAROL BAGH, NEW DELHI-110 005**

BANKERS

**PUNJAB NATIONAL BANK
CANARA BANK
HDFC BANK LTD**

REGISTRAR & SHARE

LINK INTIME INDIA PVT LTD

TRANSFER AGENT

**A-40, 2ND FLOOR, NARAINA INDUSTRIAL AREA,
PHASE-II, NEAR BATRA BANQUET HALL,
NEW DELHI-110028**

HOTEL SITE

**HOWARD PARK PLAZA
FATEHABAD ROAD, AGRA (U.P.)-282001**

REGISTERED OFFICE

**20, MAURYA COMPLEX
B-28, SUBHASH CHOWK
LAXMI NAGAR
NEW DELHI-110092
E-Mail : cs@howardhotelslimited.com**

Howard Hotels Limited
Regd. Off.: 20, Maurya Complex, B-28, Subhash Chowk
Laxmi Nagar, New Delhi-92

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of Howard Hotels Limited will be held on Thursday, 10th day of September, 2009 at 10.00 A.M. at the Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi 74 to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2009 and Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Report of Directors and Auditors 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 M/s P.C. Bindal & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

NOTES

1. The register of the members and share transfer books of the Company shall remain closed from 7th Day of September, 2009 to 10th Day of September, 2009 (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 authorising 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.

9. Details of Directors pursuant to clause 49 of the Listing Agreement:

Particulars	Name of Director	
	Rakesh Kumar Agarwal	Uday Bhan Singh Sikarwar
Date of Birth	03/05/1960	12/07/1932
Date of appointment	30/04/2007	04/01/2003
Expertise in specific areas	Accounts & Finance	Human Resources
Qualifications	M.COM. , FCA	Post Graduate
List of other Indian Public Limited Companies in which Directorship held	NIL	NIL
Shareholdings in the company as on 31.03.2009	NIL	35,000

Place: New Delhi

By order of the Board

Dated: 30-07-2009

Registered office
20, Maurya Complex
B-28, Subhash Chowk
Laxmi Nagar, New Delhi-92

S/d/-
(Pallavi Agarwal)
Company Secretary

DIRECTOR'S REPORT

Dear Members,

Your Directors take pleasure in presenting their 20th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	PARTICULARS	CURRENT YEAR (Rs. In Lacs) (2008-2009)	PREVIOUS YEAR (Rs. In Lacs) (2007-2008)
1.	Total Income	822.99	748.02
2.	Gross Profit / (Loss) Before interest and depreciation	198.13	195.82
3.	Interest	48.89	60.29
4.	Profit / (Loss) after int. but before depreciation	149.24	135.53
5.	Depreciation	56.44	52.98
6.	Net Profit/(Loss)(before tax)	90.07	82.48
7.	Net Profit/(Loss)(after tax)	55.68	81.37

COMPANY'S PERFORMANCE

The overall performance of the company showed considerable improvement as compared to the previous year with revenues growing by 10.02 %.

During the year under review, your company achieved total income of Rs.822.99 Lacs as compared to Rs.748.02 Lacs in the previous year. Net profit for the year was Rs.55.68 Lacs, after provision of deferred tax charged 31.72 lacs (previous year Nil) as compared to net profit of Rs 81.37Lacs in the previous year. Your directors expect that the initiatives undertaken will result in improvement of financial results in the coming years.

FUTURE PROSPECTUS

Despite of short and medium term set back tourism revenues are expected to rise in medium term. To strengthen the Indian tourism sector ahead of the Commonwealth Games in 2010 and to double foreign tourist arrivals from 5.37 million in 2008 to 10 million by 2010, the Ministry is taking measures such as rationalizing taxes, increased focus on infrastructure and easy visas. It is believed that the industry will record strong growth over the next

several years resulting from increasing international tourist arrivals.

SHARE CAPITAL

Issue of warrants

- a) The Company has issued 18,00,000 warrants of Rs.10/- each at a premium of Rs. 2.25 per warrant on preferential basis to Promoter group on 06th March 2009 As per the terms of issue, the warrant holders shall be entitled for and to be allotted, in one or more tranches, one equity shares of Rs.10/- each of the company per warrant, at any time after the allotment of warrant but before the expiry of 18 months from the date of allotment of such warrants. For exercise of the right to apply for equity shares, the warrant holders are required to make payment of balance 75% of the issue price.
- b) An amount of Rs.114.50 Lacs (being not less than 25% of issue Price) has been received on account of preferential allotment of 18,00,000 warrants of face value of Rs.10/- each as per SEBI guidelines.
- c) With regard to end use of preferential warrants money received Rs.114.50 Lacs the company has not utilized the same during the year and the same is lying in deposit / current account with scheduled bank of the company.

DIVIDEND

Your Directors regret their inability to recommend any dividend in view of deploying the funds for expansion of business during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act 1956 the Board of Directors of the Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards as specified by the Institute of Chartered Accountants of India have been followed and there has been no material departure.
 2. That the Directors had 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 on March 31, 2009 and of the profit and loss account of the company for the year ended on that date.
 3. That proper and sufficient care has been taken 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.
1. That the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges, a separate

section titled 'Report on Corporate Governance' has been included in this Annual Report along with the Certificate on its compliance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the company is attached and forms part of this report under the head "Management Discussion & Analysis Report" as stipulated under clause 49 of the Listing Agreement with the stock exchanges.

ACCEPTANCE OF DEPOSITS

Your company has not so far invited any deposit from public under section 58A of the Companies Act, 1956 and as such the provisions are not applicable to the company.

DIRECTORS

In accordance with the Companies Act, 1956 read with Articles of Association of the Company, Shri Rakesh Kumar Agarwal and Shri Uday Bhan Singh Sikarwar, directors of the Company, retire by rotation and are eligible for reappointment.

Due to some personal reason, Mr. Tarun Mittal, Mr. Hariom Maheshawari, Mr. Ravi Kant Bansal and Mr. Prakash Chand Goel resigned from the Directorships and the Board of Directors at their meeting held on 27-10-2008 accepted their resignation.

Mr. Ravi Kant Bansal was also the Chairman and Member of Remuneration Committee and the Member of Audit Committee.

Mr. Prakash Chand Goel was also the Member of Remuneration Committee and Shareholder Grievance Committee.

AUDITORS

The Statutory Auditors, M/s. P.C. Bindal & Co., Chartered Accountant, New Delhi, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. Your Directors propose the reappointment of M/s P.C. Bindal & Co., as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTOR) RULES 1988

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

Foreign Currency Encashed & Outgo	(Amount Rs. in Lacs)	
	31 st March 2009	31 st March 2008
Total Foreign Currency Encashed	123.27	137.32
Total foreign Currency Earned	65.04	53.06
Total Foreign Currency outgo	3.27	2.81

NOTES ON ACCOUNTS

The Auditors Report and Notes on Accounts is self explanatory.

PARTICULARS OF EMPLOYEES

During the year under review, no employees, 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.

INDUSTRIAL RELATIONS

The industrial relations continued to be cordial. The Directors wish to place on record their appreciation for the contribution of the workers and officers of the Company at all level.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation to M/s Sarovar Hotels Private Ltd., Management and operator of the hotel for their efforts and hardworking. Your directors also wish to place on record their appreciation for the continued cooperation and assistance extended by the Financial Institutions, Public Sector/Foreign Banks, other departments of Tourism, Stock Exchanges, Central/State Governments, Regulatory/Statutory Authorities, Customers, Stakeholders and all other persons assisting the Company in its growth. The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operation of the Company during the year.

**For & on behalf of Board of Directors of
Howard Hotels Limited**

Place: New Delhi
Dated: 30th July, 2009

S/d/-
(Nirankar Nath Mittal)
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of the Director's Report for the year ended 31st March, 2009)

A. INDUSTRY STRUTURE AND DEVELOPMENT

Tourism has been hit in the short term due to a combined effect of global slow down, terrorism and unrest in the South Asia Neighborhood. The Indian economy is slowly coming out of the woods with strong indicators that it will regain its lost vigor shortly. The medium and long term prospects for the Industry are bright. As per World Travel and Tourism Council (WTTC) estimates India' travel and tourism industry is expected to grow at an average of Rs. 9.4% over next 10 years. The Indian tourism industry holds immense potential for providing impetus to other industries through backward and forward linkages and can generate huge revenue earnings for the country.

To summaries, the hospitality sector in India is fundamentally strong and well placed for further growth and consolidation.

B. OPPORTUNITIES & THREATS

(i) OPPORTUNITIES

The year 2008-09 saw a slight dip in the GDP growth in the country. The service sector continues to be a major contributor to the growth in GDP and has continued to grow even in the second half of the year 2008-09 registering a 9.3% increase over the corresponding period of 2007-08.

The strong performance in tourist arrivals can be attributed to a strong sense of business and investment confidence in India inspired by the growing GDP and increased ties with developed world

(ii) THREATS

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 room supply, reduced international or local demand for hotel rooms and associates services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. The Hotel Industry faces risk from volatile socio-political environment, internationally as well as within the country. Any adverse events such as political instability, conflict between nations, terrorist attacks or spread of any epidemic or security threats to any countries may affect the level of travel and business activity. The Hotel Industry demands peace at all times to flourish. In late November, the terror attacks in Mumbai were a big blow to the hospitality industry leading to a spate of cancellations and low occupancies. The challenge lies in infusing confidence and providing international standards of safety.

C. 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.

D. OUTLOOK

The tourism industry in the country has unlimited opportunities coming its way. India has witnessed rapid development and strong economic growth and ever increasing political and economic affluence at the global level over last few years. Despite the current phase of economic slow down, Indian Economy has strong fundamentals and is likely to grow at a steady pace, which is likely to ensure increased flow of business visitors. Though India accounts for a fraction of global tourist flow at present, its market share is likely to increase steadily over next few years. Hence, the outlook for the hospitality industry looks quite positive.

However, despite the apparent strides taken by the tourism industry in India, some worries remain. There is a sizeable mismatch between the demand and supply of star category rooms. The existing infrastructure in the country - well laid roads, efficient railways and airports - to support the requirements of the foreign traveler is far behind adequacy. There has to be a rapid improvement in the airport facilities, road and transport network and other support facilities at tourist locales if the momentum in the growth of the industry has to be sustained.

Moreover, any change in the global geo-political situations can have further adverse effect on the performance of this sector.

E. RISK AND CONCERNS

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including economic cycle, market risk and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

F. 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 auditors carry out audit of the transactions of the Company, in order to ensure that recording and reporting are adequate and proper. The Audit Committee of the Board reviews the important observations of the Internal Audit. The Audit Committee of the Company meets periodically to review and recommend quarterly and annual financial statements of the Company.

G. 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.

H. 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 industrial relations continue to be cordial.

CORPORATE GOVERNANCE

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement and amendments thereof with the Stock Exchanges are as under:

1) COMPANY'S PHILOSOPHY: -

Howard Hotels Limited adheres to good corporate practices and is constantly striving to better them and adopt the best practices. The Board of Directors of the Company believes in and fully supports to the principles of Corporate Governance. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company is ensuring best principles of Corporate Governance by ensuring disclosure of material information, integrity of financial reporting, continuous improvement of the internal control and sound investor relations. Your Company has been regularly implementing the Best Practices of Corporate Governance in order to attain total transparency, accountability and integrity thereby strengthening investor's trust and ensures it fulfills the quest for growth and profits.

2) (a) BOARD OF DIRECTORS & THEIR ROLES

The Company's Board of directors comprised executive and Non-Executive Directors. The Non-Executive Directors include Independent Professionals. The Present strength of the Board is six, of which three are Executive Director.

The Primary role of the board is that of trusteeship to protect and enhance shareholder value. The board ensures that the company has clear goals relating to shareholder value and its growth. The Board sets strategic goal and seek accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectation.

The details regarding the attendance of directors at the board meetings, number. of other directorship and committee positions held by them as on 31st March 2009 are given below.

Name & Designation of the Directors	Category / Position	Last Annual General Meetings Attended	No. of Board Meeting Attended out of 9 held during the year	No. of other Directorships excluding Directorship in Private Limited Companies	Committee Positions	
					Member	Chairman
Mr. Nirankar Nath Mittal (CMD)	Executive	YES	9	-	-	-
Mr. Nirvikar Nath Mittal (WTD)	Executive Director	YES	9	-	-	-
Mr. Shri Kant Mittal (WTD)	Whole Time Director	NO	9	-	-	-
Mr. U.B.S Sikarwar	Non Executive / Independent	NO	9	-	3	2

Mr. Pawan Kumar	Non Executive / Independent	YES	8	-	3	-
Mr. Rakesh Kumar Agarwal	Non Executive / Independent	YES	9	-	2	1
Mr. Prakash* Chand Goel (upto 27/10/08)	Non Executive / Independent	YES	5	-	2	2
Mr. Ravi Kant Bansal ** (upto 27/10/08)	Non Executive / Independent	NO	6	-	2	1
Mr. Hariom Maheshwari (upto 27/10/08)	Non Executive / Independent	NO	5	-	-	-
Mr. Tarun Mittal (upto 27/10/08)	Non Executive	NO	6	-	-	-

* Mr. Prakash Chand Goel has resigned from the directorship w.e.f. 27-10-2008 and simultaneously resigned from the Membership of Remuneration Committee and Shareholder Grievance Committee.

** Mr. Ravi Kant Bansal has resigned from the directorship w.e.f. 27-10-2008 and simultaneously resigned from the Chairmanship and Membership of Remuneration Committee and the Membership of Audit Committee.

2) (b) NUMBER OF BOARD MEETINGS

During the Financial year 2008-2009, Nine Meetings of the Board of Directors were held. The Meetings were held on 29-04-08, 22-07-08, 04-08-08, 30-08-08, 06-10-08, 27-10-08, 07-01-09, 30-01-09 and 06-03-09. The maximum time gap between two meetings was not more than 4 calendar months.

2 (c) RETIREMENT OF DIRECTOR BY ROTATION, RE-APPOINTMENT

Shri Rakesh Kumar Agarwal and Shri Uday Bhan Singh Sikarwar retire by rotation at the 20th Annual General Meeting of the Company and being eligible offers themselves for reappointment.

As required under Clause 49 of the Listing Agreement, brief resume of directors being new appointment and reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the board are furnished hereunder:

---Mr. Rakesh Kumar Agarwal (49) is the Director of the Company. He is Commerce post graduate. He has done Chartered Accountant from "The Institute of Chartered Accountant". He is having experience of more than 26 Years in this profession.

---Mr. Uday Bhan Singh Sikarwar (77) is the Director of the Company. He is post graduate. He is having experience of more than 45 years in Human Resource Management.

2 (d) MEMBERSHIP AND CHAIRMANSHIP IN OTHER COMMITTEES

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), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

2 (e) INFORMATION PLACED BEFORE THE BOARD

Information placed before the Board of Directors broadly covered the items specified in clause 49 of the listing agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issue concerning the Company and taking decision in an informed an efficient manner. Besides, the Directors on the Board have complete access to all information of the company, as and when necessary.

3) 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.

4) INTERNALAUDIT

During the year the issues raised by the Internal Auditor were taken up in the meeting of the Audit Committee, which also apprised and discussed the same with the Statutory Auditors.

5) STATUTORYAUDIT

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

6) AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the board of Directors in fulfilling the Boards oversight responsibilities, an Audit Committee had been constituted by the Board. The constitution of Audit Committee also meets the Requirements U/S 292A of the Companies Act 1956. The terms of the reference of the Audit Committee are, as contained under clause 49 of the listing agreement and also confirm to the requirements of the Companies Act 1956.

Due to resignation of Mr Ravi Kant Bansal from the directorship of the Company w.e.f. 27.10.2008, the Committee has been reconstituted.

Presently, the Audit Committee consists of three directors as members, All the three members of the committee, including its Chairman are Non Executive and Independent Directors.

The Audit Committee has met 4 times during the financial year 2008-09- 20-04-08, 12-07-08, 22-10-08 and 28-01-09. During these meeting, the Committee reviewed the changes in accounting policies and practices before submission to the board, recommended the appointment of statutory auditors including fixation of audit fee, discussed the internal auditors finding, reviewed the Company financial and risk management policies.

The Audit Committee, interalia, reviews-

1. Quarterly, half yearly and yearly financial statements
2. Annual budget and variance reports
3. Significant related party transactions
4. Audit reports including internal audit reports
5. Management discussion and analysis of financial conditions and results of operations

The attendance details for the Committee meeting are as follows: -

NAME	DESIGNATION	TOTAL MEETINGS HELD DURING THE TENURE OF THE MEMBER	NO. OF MEETINGS ATTENDED
1. Mr. Rakesh Kumar Agarwal	Chairman	4	4
2. Mr. Pawan Kumar	Member	4	4
3. Mr. Uday Bhan Singh Sikarwar	Member	4	4
4. Mr. Ravi Kant Bansal	Member (upto 27/10/2008)	3	3

Mr. Vishal Sharma, Company Secretary was in attendance at the meeting held on 20-04-08. Mr. Manendra Singh, Company Secretary was in attendance at the meeting held on 12-07-08 and 22-10-08. Ms. Pallavi Agarwal, Company Secretary was in attendance at the meeting held on 28-01-09.

7) REMUNERATION COMMITTEE

The Company has constituted a remuneration Committee. The broad terms of reference of the committee is to review the structure of remuneration which is being paid to the company's Managing Director / Whole Time Director / Non Executive Director so as to ensure that the said remuneration is within the overall limits and ceiling fixed by the Members. The Remuneration Committee consists of three directors as members. During the year Mr. Pawan Kumar and Mr. Rakesh Kumar Agarwal have been appointed as Committee Members in place of Mr. Ravi Kant Bansal and Mr. Prakash Chand Goel, who had resigned from the Board during the year 2008-09.

Remuneration Committee of the company has met four times during Year ended on 03-04-2008, 03-07-2008,

01-08-2008 and 14-02-2008. The composition of the Remuneration Committee is as follows:

NAME OF MEMBERS	STATUS	TOTAL MEETINGS HELD DURING THE TENURE OF THE MEMBER	NO. OF MEETINGS ATTENDED
1. Mr. Uday Bhan Singh Sikarwar	Chairman	4	4
2. Mr. Pawan Kumar	Member	1	1
3. Mr. Rakesh Kumar Agarwal	Member	1	1
4. Mr. Ravi Kant Bansal	Member (upto 27/10/2008)	3	3
5. Mr. Prakash Chand Goel	Member (upto 27/10/2008)	3	3

a) Details of Remuneration paid to the Executive Directors for the year:-

Name	Designation	Salary and Allowances	Perquisites	Contribution to Provident and other funds	Commission	Total
Mr. Nirankar Nath Mittal	Managing Director	10,72,500	NIL	NIL	NIL	10,72,500
Mr. Nirvikar Nath Mittal	Whole Time Director	15,93,200	NIL	NIL	NIL	15,93,200
Mr. Shrikant Mittal	Whole Time Director	10,38,500	NIL	NIL	NIL	10,38,500

b) Non executive directors

The company has not paid any remuneration to Non executive directors except Sitting fees of Rs. 250.00 per meeting for attending the meeting the board of director.

c) Shares and Option of Directors:-

Directors	No. of Shares as on 31 st March, 2009	No of option granted during the Financial Year
Nirankar Nath Mittal	121600	NIL
Nirvikar Nath Mittal	109000	NIL
Shri Kant Mittal	61300	NIL
Uday Bhan Singh Sikarwar	35000	NIL
Pawan Kumar	NIL	NIL
Rakesh Kumar Agarwal	NIL	NIL

8) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board has constituted Shareholder / Investors Grievance committees in order to expedite the process of redressal of complaints like transfer/ transmission of shares, Rematerialisation of the Shares, Transposition of names, Consolidation of shares, issue of duplicate share certificate and non receipt of Balance Sheet etc.

The Shareholders Grievance Committee consists of two directors as members. During the year Mr. Pawan Kumar has been appointed as a Committee Member in place of Mr. Prakash Chand Goel, who had resigned from the Board during the year 2008-09.

The committee has met four times during the year 21-04-08, 25-07-08, 20-10-08 and 04-03-09. The composition of committee is as follows:

NAME OF MEMBERS	STATUS	TOTAL MEETINGS HELD DURING THE TENURE OF THE MEMBER	NO. OF MEETINGS ATTENDED
1. Mr. U.B.S. Sikarwar	Chairman	4	4
2. Mr. Pawan Kumar	Member	1	1
3. Mr. Prakash Chand Goyal	Member (upto 27/10/2008)	3	3
4.(i) Mr. Vishal Sharma	Company Secretary (upto 31/05/2008)	1	1
(ii) Mr. Manendra Singh	Company Secretary (upto 30/12/2008)	2	2
(iii) Ms. Pallavi Agarwal	Company Secretary	1	1

9) GENERAL BODY MEETING

The details of last three Annual General Meeting are as here under:

FINANCIAL YEAR	DATE	TIME	VENUE
2007-08	30-09-2008	02.00PM	The Executive Club, C/o Dolly Farms & Resorts (P) Ltd, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110030
2006-07	21-09-2007	09.30AM	The Executive Club, C/o Dolly Farms & Resorts (P) Ltd, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110030
2005-06	28-09-2006	09.30AM	The Executive Club, C/o Dolly Farms & Resorts (P) Ltd, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110030

- a) **There was one Extra Ordinary General Meeting held on 2nd Day of March, 2009.** The following matter was approved by the Shareholders unanimously:

Issue 1800000 warrants at a price of Rs. 10 @ premium of Rs.2.25 per warrant, convertible into equal number of Equity Shares of the Company on preferential basis to Promoter Group.

- b) **Special Resolution passed in the previous three AGMs**

I) In the AGM on 30th September, 2008

- i) Re-appointment of Managing Director
- ii) Re-appointment of Whole time Director
- iii) Re-appointment of Whole time Director
- iv) Voluntary Delisting of Equity Shares from DSE and UPSE
- v) Issue of Convertible warrants on preferential basis
- vi) Alteration in Articles of Association of the Company relating to Authorised Share Capital.

II) In the AGM on 21st September, 2007

No Special Resolution

III) In the AGM on 28th September, 2006

No Special Resolution

c) Postal Ballot

No special resolution was put through Postal Ballot during last year.

10) Subsidiary Company

There is no Subsidiary company.

11) Risk Management

The company manages risks as an integral part of its decision making process and has a structured framework for risk assessment and minimization procedures.

12) CEO / CFO Certification

The requirements of clause 49 (V) of the Listing Agreement regarding submission of necessary certificate to the board by the CEO and CFO has been complied with in the meeting of the board held on 30th July, 2009.

13) DISCLOSURES

I) Basis of Related Party Transactions:

- i) Related party transactions as required by the Accounting Standard (AS) 18 on “Related Party Disclosures” have been disclosed at Point No. 7 of Schedule 12 of the Annual Accounts. Member may refer to the notes to accounts for details of related party transactions. However, these are not having potential conflict with the interest of the company at large.
- ii) Among the related party transaction are contracts or arrangements made by the Company from time to time with Companies in which Directors are interested. All these contracts or arrangement are entered in the Register of contracts maintained under section 301 of the Companies Act, 1956 and the register placed before every Board Meeting.
- iii) All transactions covered under the related party transactions are regularly ratified and / or approved by the Board.
- iv) There have been no material transactions during the year 2008-09 that are prejudicial to the interest of the Company.

II) Pecuniary relationships or transactions with Non- Executive Directors

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

III) 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.

IV) Details of compliance with mandatory requirement

All the mandatory requirement have been complied with.

V) Disclosure regarding appointment or re-appointment of Directors

Given below are the abbreviated resumes of the Directors of the Company, who retires by rotation:

---Mr. Rakesh Kumar Agarwal (49) is the Director of the Company. He is Commerce post graduate. He has done Chartered Accountant from "The Institute of Chartered Accountant". He is having experience of more than 26 Years in this profession.

---Mr. Uday Bhan Singh Sikarwar (77) is the Director of the Company. He is post graduate. He is having experience of more than 45 years in Human Resource Management.

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

14) STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES

A Qualified Practicing Company Secretary carried out Quarterly Secretarial Audit to reconcile the total admitted capital with National securities depository limited (NSDL) and Central Depository Services (INDIA) Limited (CDSL) and the total issued and listed capital. The Audits confirmed that the total issued/paid up capital is in agreement with the total number of shares in physical; form and the total number of Dematerialized shares held with NSDL and CDSL. Company has complied with all the compliances of law in time and hopes to comply with all other legal formalities in time in the future to come.

15) MEANS OF COMMUNICATION

Unaudited Quarterly Results for the quarters ending on 30th June 2008, 30th September 2008, 31st December 2008 and for the quarter and year ended on 31st March 2009 were published in "Veer Arjun" and "Pioneer". The results are promptly furnished to the Stock Exchange for display on their respective websites.

Quarters	Date of Board Meeting
30 th June, 2008	22 nd July, 2008
30 th September, 2008	27 th October, 2008
31 st December, 2008	30 th January, 2009
31 st March, 2009	30 th April, 2009

16) COMPLIANCE OFFICER AND CONTACT ADDRESS

The Board had designated Ms. Pallavi Agarwal, whole time Company Secretary, as compliance officer.

Contact No.: (0562)4048600-699
Email- Id: cs@howardhotelslimited.com

17) Management Discussion and Analysis Report

The Management Discussion & Analysis Report forms part of this Annual Report under clause 49 of the Listing Agreement and attached separately.

18) GENERAL SHAREHOLDER INFORMATION

A. 20th ANNUAL GENERAL MEETING

Day	-	Thursday
Date	-	10 th day of September, 2009
Time	-	10:00 AM
Venue	-	The Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi.-74.
Dates of Book Closure		-7 th day of September, 2009 to 10 th day of September, 2009

B. STOCK EXCHANGE

The Equity shares of the Company are listed on the Bombay Stock Exchange of India Limited, Mumbai. The Company has paid annual Listing fees due to the above stock exchange for the year 2009-10.

The ISIN No. for shares in de-mat mode: INE931B01016

***The Company is in process to get it delisted from Delhi Stock Exchange and U. P. Stock Exchange.**

C. MARKET PRICE DATA

The high and low of the share price of the Company during each month in the last financial year at BSE and BSE Sensex were as under:-

Month	Share Price at BSE (Rs.)		BSE Sensex	
	High	Low	High	Low
April 08	15.50	12.45	17480.74	15297.96
May 08	15.39	13.32	17735.70	16196.02
June 08	13.50	11.00	16632.72	13405.54
July 08	11.97	10.28	15130.09	12514.99
August 08	13.25	11.60	15579.78	14002.43
September 08	14.45	12.55	15107.01	12153.55
October 08	13.61	7.07	13203.86	7697.39
November 08	8.57	6.74	10945.41	8316.39
December 08	10.99	7.85	10188.54	8467.43
January 09	13.89	10.85	10469.72	8631.60
February 09	12.84	8.35	9724.87	8619.22
March 09	9.64	7.62	10127.09	8047.17

D. REGISTRAR & SHARES TRANSFER AGENT

The Company has appointed a common agency for handling the transactions in shares in physical and demat mode in compliance with SEBI circular no. D&CC/F/TTC/Cir-15/2002 dated Dec 27, 2002.

(a) For Physical & De-Mat Segment -LINK INTIME INDIA PVT LTD
A-40, 2ND Floor, Naraina Industrial Area, Phase-II, Near Batra
Banquet Hall, New Delhi-110028

E. SHARE TRANSFER SYSTEM:

Shares Transfer in Physical form can be lodged at the above-mentioned address. The normal process of transfer is within 15 days, if the documents are complete in all respects. The Executive Director and Company Secretary is empowered to sign the approved transfers. The Company also offers physical cum demat facility for transfer of shares.

F. STOCK PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX

Trading got some momentum, which is quiet, satisfactory.

G. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2009

S. No.	Category	No. Of Shares	% Of Shareholding
A	PROMOTERS HOLDING		
1	PROMOTERS HOLDING		
	Indian Promoters	1062500	14.5285
	Foreign Promoters		
2	Persons acting in concert		
	Sub Total	1062500	14.5285
B	NON PROMOTERS HOLDING		
1	Institutional Investors	-	
a)	Mutual Funds & UTI	-	
b)	Banks, Financial Instt.	-	
	Non Govt. Instt.	-	
c)	FIIS	-	
2	NON INSTITUTIONAL INVESTORS		
a)	Bodies Corporate	882418	12.0624
b)	Individuals		
(i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	2272544	31.0745
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2574706	35.2063
3	Others		
a)	HUF	114615	1.5672
b)	NRI's/OCB	305200	4.1733
c)	Any other clearing members	1987	0.0272
d)	Directors and their relatives	99500	1.3606
	Sub Total (B)	7313200	85.4715
	Grand Total (A+B)	7313200	100%

Total Foreign shareholding is 305200 Shares i.e. 4.17% in the name of NRI's.

The Company did not carry out any ADR/GDR issue.

Notes:

a) Name, No. of Shares held and % of Shareholding of entities/Persons holding more than one percent of the Shares of the Company is as per Annexure A.

Annexure A. List of Entities/ Persons Holding 1% & above Shares of the Company

S.No.	CATEGORY	NAME	SHARES	% OF SHARE HOLDING
	PROMOTERS			
	Indian Promoters			
1.		Shri Nirankar Nath Mittal	121600	1.66
2.		Shri Nirvikar Nath Mittal	109000	1.49
3.		Mrs. Sarita Mittal	131000	1.79
4.		Mr. Saurabh Mittal	77000	1.05
5.		Mrs. Brij Lata Mittal	140000	1.91
6.		Mittal Fragrance P. Ltd.	361900	4.95
	Other			
1.	Private Corporate Bodies			
		Pee Aar Securities Ltd.	112950	1.54
		Sidiksha leas. & Fin .Ltd	152800	2.09
		Century Mahanivesh	89000	1.22
		Shree Nath Exports (India) Pvt. Ltd.	145599	1.99
2.	Indian Public	Mr. Sanjay Parasar	139000	1.90
		Mr. Bengali Mal	79800	1.09
		Mr. Promod Kumar Jain	150000	2.05
		Mrs. Archna jain	80888	1.11
		Mr. Anand Bansal	110275	1.51
		Mr. Hitesh Ramji javerji	222589	3.04
		Mr. Bengali Mal	86731	1.19

Distribution of Shareholding as on 31.03.2009

No. of Equity Shares held	No. of Shareholders	% to Total	Share Amount (in Rs.)	% to Total
1-2500	4705	65.712	7258280	9.925
2501-5000	1550	21.648	5483050	7.497
5001-10000	548	7.654	4135800	5.655
10001-20000	136	1.899	2161090	2.955
20001-30000	31	0.433	813680	1.113
30001-40000	26	0.363	898740	1.229
40001-50000	17	0.237	800550	1.095
50001-100000	48	0.670	3854460	5.271
100001 & Above	99	1.383	47726350	65.261
TOTAL	7160	100	73132000	100

H. 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 and CDSL .The International Securities Identification Number (ISIN) allotted to the Company's Shares under the depository system is INE931B01016.The annual custody fees for the Financial year 2009-10 has been paid to NSDL and CDSL the depositories.

57.38 % of Shares are being held in Dematerialisation form by the Shareholders.

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

I. Your Company has issued 180000 warrants convertible into equal number of Equity Shares on preferential basis, convertible within 18 months from the date of allotment to Promoter Group.

Your Company has issued 1800000 Warrants of Rs. 10/-each at a premium of Rs. 2.25 per warrant carrying a right to subscribe to equal number of Equity Shares in the Company on conversion within a period of eighteen months from the date of allotment in cash aggregating to Rs.2,20,50,000/- (Rs. Two Crores Twenty Lacs Fifty Thousand) in accordance with the provisions of section 81(A) of the Companies Act, 1956 and with the Guidelines for preferential issue issued by SEBI under Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

An amount of Rs. 114.50 Lacs (being not less than 25% of issue price) has been received on account of preferential allotment of 18,00,000 warrants of face value of Rs. 10/- each as per SEBI guidelines.

Hotel Location

Hotel Howard Park Plaza
Fatehabad Road, Agra. 01

Address for Correspondence

Howard Hotels Limited,
Hotel Howard Park Plaza,
Fatehabad Road, Agra.-01

Registered Office

Howard Hotels Limited
20, Maurya Complex
B-28, Subhash Chowk,
Laxmi Nagar, New Delhi-110092.

For Howard Hotels Limited

S/d/-

(Nirankar Nath Mittal)

Chairman and Managing Director

Place: New Delhi

Dated: 30th July, 2009

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE
GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK
EXCHANGES**

To
The Members of
Howard Hotels Limited

We have examined the Compliance of the Conditions of Corporate Governance by HOWARD HOTELS LIMITED for the year ended on 31-03-2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the condition of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Director and the Management, we certify that the Company had complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and share transfer Agents of the Company have maintained records to show investor Grievance against the Company and have certified that as on March 31, 2009 there were no investor Grievance remaining unattended/ pending for more than 30 days.

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

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

PLACE: New Delhi
DATE: 30th July, 2009

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

CERTIFICATION BY CEO / CFO

We, Nirankar Nath Mittal, Chairman & Managing Director and Nirvikar Nath Mittal, Whole Time Director, certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 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.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- c) 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.
- d) 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.

Place: New Delhi

Dated: 30th July, 2009

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

Sd/-
Nirvikar Nath Mittal
(Whole Time Director)

**DECLARATION BY THE CHIEF EXECUTIVE OFFICER OF THE COMPANY
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,
The Members
Howard Hotels Limited

I, Nirankar Nath Mittal, Chairman and Managing Director of Howard Hotels Limited hereby declare that all the members of the Board and Senior Managerial Personnel have affirmed for the year ended 31st March, 2009 regarding the compliance of the code of conduct of the Company laid down for them.

Place: New Delhi
Dated: 30th July, 2009

Sd/-
Nirankar Nath Mittal
Chairman and Managing Director

AUDITORS' REPORT

To,
The Members,
Howard Hotels Limited.
Delhi

REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009 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, 2009, 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts , read together with notes to accounts in schedule "12" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2009 ; and
- b) In the case of Profit & Loss Account, of the Profit of the company for the year ended on that date
- c) In the case of Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For P.C. BINDAL & CO.
Chartered Accountants

(CA V.K.Gupta)
Partner
M.No.096422

PLACE : New Delhi
DATED : 30.07.2009

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, 2009

- 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 twelve parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 387.00 lacs and the year-end balance of loans taken from such parties was Rs.387.00 lacs.
- c) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- d) According to the information and explanation given to us, the payment of principal and interest are regular or as stipulated.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars

of contracts or arrangements referred to in section 301 of the companies Act, 1956 have been entered into the register maintained under section 301 of the Companies Act, 1956 ; and

- b) In our opinion and according to the information and explanations given to us, the company has not made any transactions exceeding rupees five lacs in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (v) (b) of the order are not applicable
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies, 1956 are not applicable to the company.
- ix) a) According to the information and explanations given to us and according to the books and records produced before us ,the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2009 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 accumulated losses of the company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xiv) In our opinion and according to the information and explanations given to us , the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) In our opinion, and according to the information and explanations given to us, the company has not taken any term loans during the year.
- xvii) According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us, on overall basis, funds raised on short term basis have , prima facie, not been used during the year for long-term investment.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of warrants to parties and companies covered in the register maintained under section 301 of the 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

PLACE : New Delhi
DATED : 30.07.2009

[CA V. K. Gupta]
Partner
M. No.- 096422

HOWARDHOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule	(Amount in Rs)	
		As At 31st March, 2009	As At 31st March, 2008
1. SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	73,132,000.00	73,132,000.00
Share Warrants		11,450,000.00	-
		<u>84,582,000.00</u>	<u>73,132,000.00</u>
LOAN FUNDS			
Secured Loans	2	98,267.00	5,821,709.00
Unsecured Loans	3	38,700,000.00	41,200,000.00
		<u>38,798,267.00</u>	<u>47,021,709.00</u>
TOTAL		<u>123,380,267.00</u>	<u>120,153,709.00</u>
2. APPLICATIONS OF FUNDS			
FIXED ASSETS			
Gross Block	4	144,536,948.90	142,026,313.94
Less: Accumulated depreciation		<u>56,339,854.60</u>	<u>50,696,274.95</u>
Net Block		<u>88,197,094.30</u>	<u>91,330,038.99</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	5	890,309.76	829,573.95
Sundry Debtors		9,650,981.41	10,187,512.46
Cash & Bank Balances		25,756,352.72	8,141,416.52
Loans & Advances		<u>4,485,750.99</u>	<u>3,313,544.54</u>
		40,783,394.88	22,472,047.47
Less: Current Liabilities & Provisions	6		
Current Liabilities		8,618,774.20	7,496,647.96
Provisions		2,089,697.00	-
Net Current Assets		<u>30,074,923.68</u>	<u>14,975,399.51</u>
DEFERRED TAX ASSETS		2,895,049.00	-
PROFIT & LOSS ACCOUNT		2,213,200.02	13,848,270.50
TOTAL		<u>123,380,267.00</u>	<u>120,153,709.00</u>

Significant Accounting Policies & Notes to the Accounts

As per our report of even date attached

For & on behalf of the Board of Directors

P.C. Birlal & Co.
Chartered Accountants

Nirankar Nath Mittal
Chairman & Managing Director

Nirvikar Nath Mittal
Executive Director

(CA. V.K.GUPTA)
Partner
M. No. 096422

Pallavi Agarwal
Company Secretary

Place New Delhi
Date: 30.07.2009

HOWARD HOTELS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(Amount in Rs.)

PARTICULARS	Schedule	2008-09	2007-08
<u>INCOME</u>			
Income from operation	7	80,685,570.15	73,784,674.63
Other Income	8	1,613,251.69	1,017,184.75
TOTAL		82,298,821.84	74,801,859.38
<u>EXPENDITURE</u>			
Food, Beverage, Tob acco etc. Consumed	9	9,102,451.33	9,173,296.59
Operating & Administrative Expenses	10	53,383,791.68	46,046,953.40
Financial Expenses	11	4,888,789.75	6,029,300.70
Prior Period Expenses		272,794.00	6,489.00
Depreciation	4	5,643,579.60	5,298,485.95
TOTAL		73,291,406.36	66,554,526.64
Profit before Taxation		9,007,415.48	8,247,332.74
<u>Provision for Tax</u>			
- Current Tax (MAT)		913,436.00	-
- Wealth Tax		14,977.00	-
- Deferred Tax charged / (credit)		3,172,029.00	-
- Fringe Benefit Tax		139,107.00	-
- Earlier Year Tax		113,310.00	110,673.00
MAT credit entitlement		913,436.00	
Profit for the Year		5,567,992.48	8,136,659.74
Add: Balance brought forward from Previous Year * (refer to para 5 of Notes to Accounts: Schedule 12)		(7,781,192.50)	(21,984,930.24)
Surplus / (deficit) carried over to Balance Sheet		(2,213,200.02)	(13,848,270.50)

Basic & Diluted Earning Per Shares
(Face value of Rs. 10/- each)

Basic	0.76	1.11
Diluted	0.75	1.11

Significant Accounting Policies & Notes to the Accounts

As per our report of even date attached

For & on behalf of the Board of Directors

P.C. Bindal & Co.
Chartered Accountants

Nirankar Nath Mittal
Chairman & Managing Director

Nirvikar Nath Mittal
Executive Director

(CA. V.K.GUPTA)
Partner
M. No. 096422

Pallavi Agarwal
Company Secretary

Place :New Delhi
Date :30.07.2009

HOWARD HOTELS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rs.)

As At
31st March, 2009

As At
31st March, 2008

Schedule 1

SHARE CAPITAL

Authorized

1,00,00,000 (Pr. Year: 80,00,000) Equity
Shares of Rs. 10/- each

100,000,000.00

80,000,000.00

Issued, Subscribed & Paid Up

73,13,200 (Pr. Year: 7 3,13,200) Equity
Shares of
Rs. 10/- each fully paid up

73,132,000.00

73,132,000.00

73,132,000.00

73,132,000.00

Schedule 2

SECURED LOANS

Term Loan from Bank - Indian Overseas

Bank

Others - Vehicle Loan

98,267.00

5,349,508.00

472,201.00

98,267.00

5,821,709.00

Note: 1. Term Loan from Indian Overseas Bank was secured by equitable mortgage of hotel land & building at Agra. Land in the name of Sh. N.N. Mittal & personal guarantee of Sh. Nirankar Nath Mittal, CMD, Sh. Nirvikar Nath Mittal, Sh. Saurab Mittal.
2. Vehicle Loan is secured by hypothecation of Car.

Schedule 3

UNSECURED LOANS

From Directors / Ex Director
Inter Corporate Deposit

38,700,000.00

38,700,000.00

2,500,000.00

38,700,000.00

41,200,000.00

Schedule 5

**CURRENT ASSETS, LOANS AND
ADVANCES**

A. INVENTORIES

(a) Food, Beverage, Tobacco etc.

202,820.78

183,473.72

(b) Crockery, Cutlery, Glassware etc.

75,297.24

209,468.00

(c) Stores and Spare parts etc

612,191.74

436,632.23

890,309.76

829,573.95

B. SUNDRY DEBTORS

(Unsecured, considered good)

(a) Debts outstanding for a period exceeding six
months

1,629,720.00

1,657,561.00

(b) Other debts

8,021,261.41

8,529,951.46

9,650,981.41

10,187,512.46

C. CASH AND BANK BALANCES

(a) Cash and Foreign Currency in Hand

309,763.75

270,616.73

(b) Balance with scheduled banks

11,338,871.00

219,946.00

- Deposit Account

- Current Accounts

14,102,271.16

7,645,406.98

(c) Balance with Post Office *

5,446.81

5,446.81

* pledge with Govt. Deptt.

25,756,352.72

8,141,416.52

D. LOANS AND ADVANCES

(a) Advance recoverable in cash or in kind or
for value to be received

3,256,312.16

3,078,632.13

(b) Prepaid Taxes

316,002.83

234,912.41

(c) MAT Credit entitlement

913,436.00

4,485,750.99

3,313,544.54

GRAND TOTAL A+B+C+D

40,783,394.88

22,472,047.47

HOWARD HOTELS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

	As At 31st March, 2009	(Amount in Rs.) As At 31st March, 2008
Schedule 6		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>A. CURRENT LIABILITIES</u>		
(a) Sundry Creditors	3,108,515.70	2,447,816.12
(b) Other Current Liabilities	4,554,263.11	4,183,249.81
(c) Advance from Customers	617,169.77	581,490.03
(d) Bank overdraft	27,635.62	-
(e) Security Deposits	311,190.00	284,092.00
	<hr/> 8,618,774.20	<hr/> 7,496,647.96
<u>B. PROVISIONS</u>		
(a) Provision for Retirement Benefits	1,022,177.00	-
(b) Provision for FBT	139,107.00	-
(c) Provision of Wealth Tax	14,977.00	-
(d) Provision For Income Tax	913,436.00	-
	<hr/> 2,089,697.00	<hr/> -
GRAND TOTAL A+B	<hr/> 10,708,471.20	<hr/> 7,496,647.96
Schedule 7		
<u>INCOME FROM OPERATIONS</u>		
(a) Rooms	54,095,653.64	48,454,406.04
(b) Food & Beverage	23,901,534.83	24,035,007.80
(c) Other Services	2,688,381.68	1,295,260.79
	<hr/> 80,685,570.15	<hr/> 73,784,674.63
Schedule 8		
<u>OTHER INCOME</u>		
(a) FDR Interest (TDS of Rs.30.851/-)	149,776.00	14,952.00
(b) Rent Received	392,264.00	140,100.00
(c) Incentive on Foreign Currency	206,168.97	352,919.26
(d) Miscellaneous Income	865,042.72	509,213.49
	<hr/> 1,613,251.69	<hr/> 1,017,184.75
Schedule 9		
<u>FOOD & BEVERAGE, TOBACCO ETC. CONSUMED</u>		
Opening Stock	183,474.00	138,209.73
Add: Purchases	9,121,798.11	9,218,560.58
	<hr/> 9,305,272.11	<hr/> 9,356,770.31
Less: Closing Stock	202,820.78	183,473.72
Consumption	<hr/> 9,102,451.33	<hr/> 9,173,296.59

HOWARD HOTELS LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	2008-09	2007-08
Schedule 10		
<u>OPERATING & ADMINISTRATIVE EXPENSES</u>		
Director Remuneration	3,716,200.00	1,540,000.00
Salaries & Wages	11,430,952.22	8,849,043.96
Contribution to Provident & Other Fund	890,307.95	762,740.00
Printing & Stationary	624,257.90	585,770.66
Staff Welfare Expenses	105,991.00	231,950.50
Rent, Rates & Taxes	1,189,203.97	2,238,940.59
Guest Supplies	505,818.04	308,974.19
Room Purchases	69,314.00	514,152.00
Power & Fuel	10,447,219.30	9,655,882.32
Postage & Telegram	242,693.00	152,522.00
Insurance	308,273.06	323,935.94
Advertisement & Sales Promotion	202,534.92	204,845.00
Management & Franchise Fees	4,959,718.00	4,038,549.00
Commission	80,436.85	78,996.75
Renovation & Renewal Expenses	3,938,830.79	4,136,858.15
Upkeep & Maintenance	3,547,348.92	2,940,924.26
<u>REPAIR & MAINTENANCE</u>		
Building	1,459,620.46	2,329,295.05
Furniture & Fixtures	1,306,886.43	825,839.97
Plant & Machinery	1,591,448.88	1,302,654.28
Other/Electrical/Boilers	2,725,328.43	1,404,956.10
	<u>7,083,284.20</u>	<u>5,862,746.15</u>
Legal & Professional Charges	1,700,562.46	1,482,719.70
Miscellaneous Expenses	316,340.50	414,656.59
Festival Expenses	91,270.00	
A.G.M. Expenses	227,016.00	177,899.00
Telephone & Fax	489,505.57	599,652.52
Traveling & Conveyance Expenses	938,713.44	715,068.00
Commission on Credit Cards	232,565.59	190,126.12
AUDITOR'S REMUNERATION		
Audit Fee	40,000.00	20,000.00
Audit Expenses	5,434.00	20,000.00
	<u>53,383,791.68</u>	<u>46,046,953.40</u>
Schedule 11		
<u>FINANCIAL CHARGES</u>		
Bank Charges	51,705.75	49,184.70
Interest on Term Loan	88,700.00	1,191,948.00
Other Interest	4,748,384.00	4,788,168.00
	<u>4,888,789.75</u>	<u>6,029,300.70</u>

HOWARD HOTELS LIMITED

SCHEDULE 4 OF FIXED ASSETS AS ON 31ST MARCH 2009

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
		Cost as on 01.04.2008	Additions during the year	Deductions as on 31.03.2009	up to 01.04.2008	For the year	Deductions as on 31.03.2009	W.D.V. as on 31.03.2009	W.D.V. as on 31.03.2008		
1.	Land	3,344,915.00	-	-	3,344,915.00	-	-	3,344,915.00	3,344,915.00		
2.	Building	75,473,852.00	-	-	75,473,852.00	14,140,405.00	1,230,223.79	-	15,370,628.79	60,103,223.21	61,333,447.00
3.	Plant & Machinery	44,841,117.00	687,396.90	-	45,528,513.90	24,062,485.27	2,385,853.64	-	26,448,338.91	19,080,174.99	20,778,631.73
4.	Furniture & Fixture	10,649,308.00	905,592.00	-	11,554,900.00	9,822,017.00	1,050,819.56	-	10,872,836.56	682,063.44	3,161,912.00
5.	Vehicle	4,705,495.00	870,000.00	-	5,575,495.00	1,543,583.00	484,837.19	-	2,028,420.19	3,547,074.81	827,291.00
6.	Computer	3,011,627.00	47,646.00	-	3,059,273.00	1,127,784.73	491,845.42	-	1,619,630.15	1,439,642.85	1,883,842.27
	TOTAL	142,026,314.00	2,510,634.90	-	144,536,948.90	50,696,275.00	5,643,579.60	-	56,339,854.60	88,197,094.30	91,330,039.00
	Previous Year	139,025,659.00	3,000,655.00	-	142,026,314.00	45,397,789.00	5,298,486.00	-	50,696,275.00	91,330,040.00	93,627,870.00

HOWARD HOTELS LIMITED

SCHEDULE "12"

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

b) Revenue Recognition

i) Sale of foods, rooms and other items are accounted for on accrual basis. ii) Other Incomes are accrued as earned except where the receipts of income is 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 income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward only to the extent there is reasonable certainty of its realization

2. Contingent Liabilities not provided for:

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

3. The company had given bank guarantee to the custom authorities at the time of Import of Mini Bars under export obligation in 1995. The Commissioner of Custom had invoked the Bank Guarantee of Rs.2.56 lacs for non fulfillment of export obligation and accordingly the same was paid by the Company's bankers. The company had filed an appeal with Joint Director General of Foreign Trade, praying for discharge certificate, as the company has fulfilled the export obligation. Pending the decision of DGFT, the amount of Rs. 2.56 lacs (Previous Year: Rs. 2.56 lacs) has been shown as advance recoverable.
4. The company had received a notice in civil complaint case no. 56/04, from District Judge, New Delhi, as third party, for damage. The Company has been legally advised that no liability will devolve on the company.

5. In accordance with the Accounting Standard -22 relating to accounting for taxes on income issued by the Institute of Chartered Accountants of India, made applicable w.e.f. 1st April, 2001. During the year under consideration, the company has generated net profit and as prudence, now the company has recognized deferred tax assets. Whereas in the earlier years no deferred tax assets has been recognized. Accordingly, net profit after tax for the current year is not comparable with the previous year to the extent of deferred tax charge. Resulting deferred tax assets amounting to Rs. 60,67,078/- cumulated prior to 1st April, 2008 has been recorded with a corresponding credit to profit & loss account.

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

S. No.	Particulars	March 31, 2009 (Rs.)
	Deferred Tax Liabilities	
a.	Difference in depreciation for accounting and tax purposes	21,701,414.00
	Deferred Tax Assets	
a.	Unabsorbed Depreciation	24,078,747.00
b.	Provision for Retirement Benefits	347,438.00
c.	Disallowance of Provision for Bonus	117,893.00
d.	Others	52,385.00
	Total Deferred Tax Assets	24,596,463.00
	Net Deferred Tax Assets	2,895,049.00

7. 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, 2009:

a) Key Management Personnel & their relatives:

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

Nirvikar Nath Mittal (HUF) : Mr. Nirvikar Nath Mittal is Krata of HUF

Omkar Nath Mittal (HUF) : Mr. Shri Kant Mittal is Krata of HUF

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

Mittal Fragrance Pvt. Ltd. Company in which director's are interested

Rishi Real Estate Pvt. Ltd. Company in which director's are interested

Fragrance De Energy Firm in which director's are interested

De Exigisite Firm in which director's are interested

D'Craft Firm in which director's are interested

Related Party Transactions

(Rs. In Lacs)

Particulars	a	b	Total
Purchases transactions	-	1.18	1.18
	37.04	-	37.04
Lease Rent	0.05	-	0.05
Interest Expenses	45.00	-	45.00
Allotment of Shares Warrants	-	114.50	114.50
Rent Received	-	2.60	2.60
Total	82.09	118.28	200.37
Balance outstanding:			
Due from	--	--	--
Due to	375.10	--	375.10

Previous year	a	b	Total
Loans Taken		60.00	60.00
Loan Repaid	-	35.00	35.00
Directors' Remuneration	15.00		15.00
Interest Payment	42.80	0.63	43.43
Lease rent	0.05		0.05
Total	57.85	95.63	153.48
Balance outstanding:			
- Due from	--	--	--
- Due to	375.10	--	375.10

8. 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.

9. Amount paid/ payable to Auditors:

	31st March 2009 (Rs)	31st March 2008 (Rs)
a) Audit Fee	40,000.00	20,000.00
b) Reimbursement Expenses	5,434.00	20,000.00
Total	45,434.00	40,000.00

10. Basic and diluted earning per share::

S.No.	Particulars	31 st March 2009		31 st March 2008	
		Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
a.	Net Profit for the year (Rs. In lacs)	55.68	55.68	81.37	81.37
b.	Weighted Average No of Equity Shares used in computing Basic -Earning per Share	73,13,200	73,13,200	73,13,200	73,13,200
c.	Weighted average number of equity shares from dilutive instruments	73,13,200	64,020	73,13,200	Nil
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	73,13,200	73,77,220	73,13,200	73,13,200
e.	Nominal Value o f Equity shares-(Rs.)	10.00	10.00	10.00	10.00
f.	Earning Per Shares (Rs.)	0.76	0.75	1.11	1.11

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

	31st March 2009 (Rs)	31st March 2008 (Rs)
Director's Remuneration	37,04,200.00	15,00,000.00
Contribution to PF & other Funds	Nil	Nil

Perquisites	Nil	Nil
Director's Sitting fees	12,000.00	40,000.00

12. 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.

13. During the year, the company has changed its accounting policy for accounting of gratuity from cash to accrual basis. Such change in the policy has resulted in decrease in profit of the company to the extent of Rs. 10,22,177/- and corresponding increase in current liabilities & provisions.

14. 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.

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

16. 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.

17. Term of Issue of Share Warrants:

a) The Company has issued 18,00,000 warrants of Rs.10/- each at a premium of Rs. 2.25 per warrant on preferential basis on 06-03-2009 As per the terms of issue the warrant holders shall be entitled for and to be allotted ,in one or more tranches, one equity shares of Rs.10/- each of the company per warrant ,at any time after the allotment of warrant but before the expiry of 18 months from the date of allotment of such warrants. For exercise of the right to apply for equity shares, the warrant holders are required to make payment of balance 75% of the issue price.

b) An amount of Rs.114.50 Lacs (being not less than 25% of issue Price) has been received on account of preferential allotment of 18,00,000 warrants of face value of Rs.10/- each as per SEBI guidelines.

c) With regard to end use of preferential warrants money received Rs.114.50 Lacs the company has not utilized the same during the year and the same is lying in deposit / current account with scheduled bank of the company.

18. Foreign Currency Encashed & Outgo	(Amount Rs.in Lacs)	
	31st March 2009	31st March 2008
Total Foreign Currency Encased	123.27	137.32
Total foreign Currency Earned	65.04	53.06
Total Foreign Currency outgo	3.27	2.81

19. 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.

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

21. Previous Year's figures have been regrouped and/or rearranged to conform to those of current year's figures wherever necessary.

As per our report of even date.

For P.C. Bindal & Co.
Chartered Accountants

(CA. V.K Gupta)
Partner

(Nirankar Nath Mittal)
Chairman & Managing Director

(Nirvikar Nath Mittal)
Executive Director

M. No. 096422

Place: New Delhi
Date: 30.07.2009

Pallavi Agarwal
(Company Secretary)

HOWARD HOTELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

Particulars	(Amount In Rs.)	
	Year ended 31.03.2009	Year ended 31.03.2008
<u>A. Cash flow from operating activities</u>		
Net profit before tax but after exceptional items	9,007,415	8,247,333
<u>Adjustments for</u>		
Depreciation	5,643,580	5,298,486
Interest Expenses	4,837,084	5,980,116
Operating profit before working capital changes	19,488,079	19,525,935
<u>Adjustments for change in working capital</u>		
Decrease / (increase) in inventory	60,736	121,887
Decrease / (increase) in debtors	(536,531)	1,516,428
Decrease / (increase) in loans & advances	1,172,206	108,486
(Decrease) / increase in current liabilities	3,211,823	(826,139)
Cash generated from operation	22,003,491	16,952,995
Prior Period Income / (Expenses)	-	-
Income Tax (paid)	(267,394)	(110,673)
Net cash from operating activities (a)	21,736,097	16,842,322
<u>B. Cash flow from investing activities</u>		
Sale of fixed assets	-	-
Purchases of fixed assets	2,510,635	3,000,655
Net cash from investing activities (b)	(2,510,635)	(3,000,655)
<u>C. Cash flow from financing activities</u>		
Proceeds from Issue of Warrants	11,450,000	
Proceeds/(Repayments) of Secured long term borrowings	(5,723,442)	(4,720,135)
Proceeds/(Repayments) of Unsecured long term borrowings	(2,500,000)	2,505,000
Interest Expenses	(4,837,084)	(5,980,116)
Net cash from financing activities (c)	(1,610,526)	(8,195,251)
Net increase/decrease in cash & cash equivalents (a+b+c)	17,614,936	5,646,416
Cash & cash equivalents at the opening of the year	8,141,417	2,495,001
Cash & cash equivalents at the closing of the year	25,756,353	8,141,417
(refer schedule 10 (c) 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

For & on behalf of the Board of Directors

P.C. Bindal & Co.
Chartered Accountants

Nirankar Nath Mittal
Chairman & Managing Director

Nirvikar Nath Mittal
Executive Director

(CA. V.K.GUPTA)
Partner
M. No. 096422
Place : New Delhi
Date : 30.07.2009

Pallavi Agarwal
Company Secretary

HOWARD HOTELS LIMITED

Balance Sheet abstract and Company's general business profile as required under part IV of Schedule VI to the Companies Act, 1956

	Amount in thousands	
I Registration details		
Registration No. :		038622
State code :		55
Balance Sheet date :		31.03.2009
II Capital raised during the year		
Public Issue :		NIL
Rights Issue :		NIL
Bonus Issue :		NIL
Private Placement * :		11,450
* Share warrants allotted		
III Position of mobilisation and deployments of funds		
Total Liabilities :		123,380
Total Assets :		123,380
Source of funds		
Paid-up capital :		73,132
Share Warrants :		11,450
Reserves and Surplus :		-
Secured Loans :		98.27
Unsecured Loans :		38,700
Deffered Tax Liability :		-
		123,380
Application of funds :		
Net Fixed Assets :		88,197
Investments :		-
Net Current Assets :		30,075
Misc. Expenditure :		-
Deferred Tax Assets :		2,895
Accumulated Losses :		2,213
		123,380
IV Performance of the Company		
Turnover :		82,299
Total expenditure :		73,291
Profit before tax :		9,007
Profit after tax :		5,568
Earning per share of Rs. 100/- each- Basic & Diluted		
- Basic	Rs.	0.76
- Diluted	Rs.	0.75
Dividend Rate		Nil
V Generic name of principal products of the Company		
Item Code No. (ITC code)		591001006
Product description		Hotel
Item Code No. (ITC code)		390001002
Product description		Restaurants

As per our report of even date attached

For & on behalf of the Board of Directors

P.C. Bindal & Co.
Chartered Accountants

Nirankar Nath Mittal
Chairman & Managing Director

Nirvikar Nath Mittal
Executive Director

(CA. V.K.GUPTA)
Partner
M. No. 096422

Pallavi Agarwal
Company Secretary

Place : New Delhi
Date : 30.07.2009

AUDITOR'S CERTIFICATE

We have verified the cash flow Statement of Howard Hotels Limited derived from the annual accounts for the year ended 31st March, 2009 and found the same to be drawn in accordance therewith and also with the requirements of the Clause 32 of the listing agreement with Bombay Stock Exchange Ltd.

PLACE : NEW DELHI
DATE : 30th July, 2008

For P. C. BINDAL & Co.
Chartered Accountants

(V K Gupta)
Partner
M.No. 096422

HOWARD HOTELS LIMITED

Regd. Off.: 20, Maurya Complex, B-28, Subhash Chowk, Laxmi Nagar, New Delhi-92

NAME OF THE SHAREHOLDER / PROXY*	DP ID**		Folio No.	
	Client ID**		No. of Shares Held	

I hereby record my presence at the 20th Annual General Meeting of the Company held at Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi 110030, on Thursday 10th day of September, 2009 at 10.00 A.M.

SIGNATURE OF SHAREHOLDER / PROXY*

* Strike out whichever is not applicable

**Applicable for investors holding shares in electronic form.

Note: Please handover the slip at the entrance of the Meeting venue.

----- Cut here -----

PROXY

HOWARD HOTELS LIMITED

Regd. Off.: 20, Maurya Complex, B-28, Subhash Chowk, Laxmi Nagar, New Delhi-92

I / We of

In the district of being a Member(s) of the above named

Company hereby appoint of In the district

of As my / our proxy to attend and vote for me / us on my / our behalf at the 20th Annual General Meeting of the Company to be held on 10th September, 2009.

Signed at this day of 2009.

Folio No.		DP ID**		Affix Re. 1 Revenue Stamp
No. of Shares Held		Client ID*		

*Applicable for investors holding shares in electronic form.

Notes:

1. The Proxy need not be a member
2. The form of proxy, duly signed across Re. 1 revenue stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.



BOOK- POST

If undelivered, please return to :
HOWARD HOTELS LIMITED
20, MAURYA COMPLEX
B-28, SUBHASH CHOWK, LAXMI NAGAR,
NEW DELHI - 110 092