

HOWARD HOTELS LIMITED

ANNUAL REPORT
ANNUAL REPORT
2011-2012



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

Bankers

Punjab National Bank

HDFC Bank Limited

IDBI Bank Limited

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.

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

Phase-II, Near Batra Banquet Hall,

New Delhi-110028

Registered Office

Howard Hotels Limited

20, Maurya Complex,

B-28 Subhash Chowk,

Laxmi Nagar,

New Delhi-110092

Corporate Office

Howard Plaza

Fatehabad Road,

Agra-282001

Company's Website: www.howardhotelsltd.com

Email-Id: cs@howardhotelslimited.com

: (0562) 4048600

Facsimile : (0562) 4048666

Stock Exchange Where Company's Securities Are Listed

Bombay Stock Exchange Limited

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd (Twenty Third) Annual General Meeting of **HOWARD HOTELS LIMITED** will be held on Wednesday, September 5, 2012 at the Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurber, 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, 2012 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. Shri Kant Mittal, who retires by rotation and is being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ravi Kant Bansal, who retires by rotation and is being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration and to pass following resolution thereof:

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

Notes:

1. The register of the members and share transfer books of the Company shall remain closed from Saturday, September 1, 2012 to Wednesday, September 5, 2012 (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
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	Shri Kant Mittal	Ravi Kant Bansal
Date of Birth	26/03/1976	20/06/1954
Date of appointment/re-appointment	04/01/2003	23/09/2011
Qualifications	M.Com, M.B.A	Post Graduate
Expertise in specific functional areas	Experience in Hotel & Tourism	Experience in Hotel Industry
List of other Indian Public Limited Companies in which Directorship held as on 31.03.2012	NIL	NIL
Shareholdings in the company as on 31.03.2012	62,000	NIL
Inter-se relationship	YES	NO

Place: Agra
Date: August 2, 2012

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/-
[Nidhi Agarwal]
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS,

Your Director's have pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

The Performance of the Company for the financial year ended 31st March 2012 is summarized below:

PARTICULARS	(` In Lacs)	
	CURRENT YEAR (2011-12)	PREVIOUS YEAR (2010-11)
1. Total Income	1052.46	1049.73
Less: i) Operating, Administrative & other Exp.	847.43	805.22
2. Earning before interest and depreciation	205.03	244.71
Less: i) Interest	18.24	34.01
ii) Depreciation	69.58	62.19
3. Profit before Tax	117.21	148.31
Less: provision for Tax		
i) Current	23.45	29.60
iii) Deferred	34.67	48.93
iv) MAT Credit	(23.45)	(29.60)
4. Profit after Tax	82.54	99.38
Add: Balance of Profit as per last Balance Sheet	172.09	(72.71)
5. Balance available for appropriation	254.63	172.09

COMPANY'S PERFORMANCE

During the year under review, the Company has total revenues of ` 1052.46 Lacs as compared to ` 1049.73 Lacs during the previous year. The net profit for the year under review has been ` 82.54 Lacs as against ` 99.38 Lacs during the previous year. Your directors are continuously looking for avenues for future growth of the Company in Hotel Industry.

DELISTING

The Equity shares of the Company have been delisted from Delhi Stock Exchange Limited vide letter no. DSE/LIST/7625/15153/3525 Dated July 01, 2011.

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

DIRECTORS

At the ensuing Annual General Meeting Mr. Shri Kant Mittal and Mr. Ravi Kant Bansal, 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, 2012	March 31, 2011
Total Foreign Currency Earned	95.88	97.18
Total Foreign Currency Outgo (traveling)	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, 2012, 82.64% of the Company's paid-up capital representing 7531223 Equity Shares is in dematerialized form with both the depositories as compared to 82.26% representing 7496280 equity shares for the previous year ending March 31, 2011.

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: August 2,2012**

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 STRUCTURE AND DEVELOPMENT

ECONOMIC OVERVIEW

The Indian economic growth was slightly subdued in 2011-12 because of various factors, both global and internal. 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. Industrial growth during the year slumped to 3.3 per cent with high interest rates affecting the factory output. Eight core infrastructure sectors of crude oil, petroleum refinery products, natural gas, fertilisers, coal, electricity, cement and finished steel logged a 3.5 per cent growth down from 4.4 per cent expansion witnessed in the previous year.

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. The Euro-zone crisis have had a negative impact on the Indian capital markets as Indian shares posted their biggest fall since the months following the Lehman Brothers collapse. Indian Rupee also weakened by close to 9 percent to the USD by the third quarter of the year.

HOSPITALITY & TOURISM INDUSTRY OVERVIEW

In India, the occupancy led recovery that started with the return of domestic travelers late in calendar 2010-11, received a boost with foreign tourist arrivals (FTAs) picking up in the year 2011-12. One of the key risks to recovery came from demand dampeners, namely, expectations of relatively mute corporate performance in fiscal 2011-12, increase in interest rates, rise in fuel and food prices and subdued macroeconomic signals from the developed markets. Additionally on the supply front, heavy supplies in markets like the National Capital Region (NCR), Hyderabad, Pune, Bangalore and Chennai suppressed pricing power to an extent.

With the latest technology and facilities, warm hospitality, rich heritage and natural beauty, India is an ideal destination for meetings and congresses and offers a unique and exotic destination that can be combined with a leisure holiday. India boasts many world-class convention centers as well as stunning scenery, transforming an annual business meeting into a glamorous and enjoyable event. India has now become an attractive destination for any global hotel company which is evidenced from the entry of a slew of international hotel brands in the country and other plotting their strategies for entry.

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 2012, international tourism will grow at a slower rate.

The services sector (financial and non-financial) attracted cumulative foreign direct investments (FDI) worth US\$ 27,322 million between April 2000 and February 2012, accounting for 19 per cent of the total FDI inflows, according to data released by the Department of Industrial Policy and Promotion (DIPP).

FOREIGN TOURIST ARRIVALS

Hotel Industry depends largely upon the Foreign Tourist Arrivals. The domestic hospitality sector is expected to see investments at very slow rate by 2012,

- Ø Foreign tourist arrivals (FTAs) during the period January-March 2012 were 19.81 Lacs with a growth of 9.5 per cent, as compared to the FTAs of 18.09 Lacs with a growth of 10.8 per cent during January-March 2011.

- Ø FTA during the month of March 2012 was 6.23 Lacs as compared to FTAs of 5.50 Lacs during the month of March 2011. There has been a growth of 13.2% in March 2012 over March 2011 as compared to a growth of 7.4 % registered in March 2011 over March 2010.

OPPORTUNITIES & STRENGTHS

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

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

RISK AND CONCERNS

Hotel business in general is sensitive to fluctuations in the economy. The hotel sector may be unfavorably affected by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. 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 continued its efforts to develop quality tourism infrastructure at tourist destinations and circuits across the country. The Ministry has sanctioned 160 tourism projects for an amount of Rs 710.02 crore (US\$ 132.18 million) for tourism infrastructure augmentation to States/UTs upto December 31, 2011, according to the Annual Report of the Ministry of Tourism for the year 2011-12.

The Ministry has given special focus on development of important destinations/circuits through sanction of mega projects. Mega tourism projects are a judicious mix of culture, heritage, spiritual and eco tourism and aim to give tourists a holistic experience. As on February 29, 2012, the Ministry has identified 53 mega tourism projects in consultation with State Governments, out of which 35 have been sanctioned.

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 organisations

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.

Another new and important trend that is gaining in importance in generating revenues in the hotel industry is social networking. In the upcoming two years, almost half of the travel industry will be using social media as a way of generating revenue and bookings. 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. Further, the Indian Hotel and Tourism sector successfully attracted 4,041 crore foreign direct investment (FDI) during April 2011-January 2012. 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**

**Place: Agra
Date: August 2,2012**

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

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, 2012, 12(Twelve) meetings of the Board were held, as follow:

S. No.	Dates of Board Meeting	Board strength	No. of directors present
01.	April 01, 2011	6	6
02.	May 13,2011	6	6
03.	July 18,2011	5	4
04.	August 11,2011	5	5
05.	September 2, 2011	5	4
06.	September 20, 2011	5	5
07.	October 29, 2011	6	6
08.	December 03, 2011	6	4
09.	January 30, 2012	6	5
10.	February 2, 2012	6	5
11.	February 6, 2012	6	6
12.	March 21,2012	6	4

**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, 2012 and in the last AGM of the Company is as follow

S. No.	Name of Director	No. of Board Meeting attended out of 12 held during the year	Attendance at the last AGM
01.	Nirankar Nath Mittal	12	√
02.	Nirvikar Nath Mittal	12	√
03.	Shri Kant Mittal	12	χ
04.	Rakesh Kumar Agarwal	12	√
05.	Pawan Kumar*	2	χ
06.	Uday Bhan Singh Sikarwar	8	χ
07.	Ravi Kant Bansal**	2	χ

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

**Mr. Ravi Kant Bansal appointed as director w.e.f. September 23, 2011 and w.e.f. October 24, 2011 appointed as member in Audit Committee, Remuneration Committee and Share Transfer and Investor Grievance Committee of the Company.

D. DIRECTORSHIP AND CHAIRMANSHIP/MEMBERSHIP

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

Name of Director	*No. of directorship in other public companies	In committees of the Company		**In committees of other public companies	
		Chairmanship	Membership	Chairmanship	Membership
Nirankar Nath Mittal	NIL	-	-	NIL	NIL
Nirvikar Nath Mittal	NIL	-	-	NIL	NIL
Shri Kant Mittal	NIL	-	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 statements,

review of financial and risk management policies of the Company, review of adequacy of Internal Control Systems, review of Annual budget and variance reports, review of Audit reports including internal audit reports and review of Management discussion and analysis of financial conditions and results of operations.

ii. COMPOSITION

Due to appointment of Mr. Ravi Kant Bansal w.e.f. October 24, 2011 in the committee, the Committee has been reconstituted. Presently, the Audit Committee consists of three directors as members. The composition of Audit Committee is as under:

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

iii. MEETING AND ATTENDANCE

During the financial year ended March 31, 2012, 4 (Four) meetings of the Audit Committee were held, as follows:

S. No.	Date	Committee Strength	No. of Members present
01.	May 12, 2011	3	3
02.	August 08, 2011	3	3
03.	October 21, 2011	3	3
04.	January 28, 2012	3	3

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

Name of Members	No. of Meetings Attended
Mr. Rakesh Kumar Agarwal	4
Mr. Pawan Kumar *	1
Mr. Uday Bhan Singh Sikarwar	4
Mr. Shri Kant Mittal**	2
Mr. Ravi Kant Bansal***	1

* Resigned on July 18, 2011

** Resigned on October 25, 2011

*** Appointed on October 24, 2011

B. REMUNERATION COMMITTEE

The broad terms of reference of the committee is to review the structure of remuneration which is being paid to the company's Managing Director / Whole Time Director / Non Executive Director so as to ensure that the said remuneration is within the overall limits and ceiling fixed by the Members. Due to appointment of Mr. Ravi Kant Bansal w.e.f. October 24, 2011 in the Committee, the Committee has been reconstituted.

i. COMPOSITION

Due to appointment of Mr. Ravi Kant Bansal w.e.f. October 24, 2011 in the committee, the Committee has been reconstituted. 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, 2012, 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
Mr. Pawan Kumar*	1

* Resigned on July 18, 2011

** Appointed Member w.e.f October 24, 2011

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 2011-2012 are as under:

(` In Lac)								
Name	Designation	Tenure of appointment	Salary and Allowance	Sitting fees	Perquisites	Contribution to Provident and other funds	Commission	Total
Mr. Nirankar Nath Mittal	Chairman & Managing Director (Executive)	3 years w.e.f. 16.10.2011	23,67,581	Nil	2,27,270	NIL	NIL	25,94,851
Mr. Nirvikar Nath Mittal	Whole Time Director	3 years w.e.f. 07.09.2011	22,28,000	Nil	1,82,470	NIL	NIL	24,10,470
Mr. Shri Kant Mittal	Whole Time Director	5 years w.e.f. 16.10.2008	15,00,000	Nil	NIL	NIL	NIL	15,00,000
Mr. Pawan Kumar	Non-Executive & Independent Director	-	NIL	500	NIL	NIL	NIL	500
Mr. Rakesh Kumar Agarwal	Non-Executive & Independent Director	-	NIL	3000	NIL	NIL	NIL	3000
Mr. Uday Bhan Singh Sikarwar	Non-Executive & Independent Director	-	NIL	2000	NIL	NIL	NIL	2000
Mr. Ravi Kant Bansal	Non-Executive & Independent Director	-	NIL	500	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, 2012	No of option granted during the Financial Year
Nirankar Nath Mittal	724593	NIL
Nirvikar Nath Mittal	614266	NIL
Shri Kant Mittal	62000	NIL
Uday Bhan Singh Sikarwar	35000	NIL
Rakesh Kumar Agarwal	NIL	NIL

C. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

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

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

i. COMPOSITION

Due to appointment of Mr. Ravi Kant Bansal w.e.f. October 24, 2011 in the committee, the Committee has been reconstituted. 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, 2012.

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, 2012, 17 (Seventeen) 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	17
Mr. Pawan Kumar*	6
Mr. Shri Kant Mittal	17
Mr. Ravi Kant Bansal**	6

* Resigned on July 18, 2011

** Appointed Member w.e.f October 24, 2011

CODE OF CONDUCT

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

CEO / CFO CERTIFICATION

As required by clause 49 (v) of the Listing Agreement, a certificate from CEO and CFO on the financial statements of the Company was placed before the Board in the Board Meeting of the Company held on August 2, 2012 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, 2012.

**Agra
August 2, 2012**

**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 "Veer Arjun" respectively and also submitted promptly to the Stock Exchange with which the Company's equity shares are listed, to enable them to put them on their own web sites.

GENERAL BODY MEETINGS

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

Year	AGM/ EGM	Date	Venue	Time	SR Passed
2011	AGM	23.09.2011	The Executive Club 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	The Executive Club c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074	10.00 A.M.	NO
2009	AGM	10.09.2009	The Executive Club c/oDolly Farms & Resorts (P) Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri,	10.00 A.M.	NO

			New Delhi-110074		
2009	EGM	02.03.2009	Hotel Howard Park Plaza Fatehabad Road, Agra-282001	3.30 P.M.	Issue of Convertible warrants on preferential basis

POSTAL BALLOT

For the year ended March 31, 2012, 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 2011-12 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 requirements 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

Day & Date	Wednesday, September 5, 2012
Time	10.00 A.M.
Venue	The Executive Club C/o Dolly Farms and Resorts Private Limited 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi-74

FINANCIAL YEAR

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

KEY FINANCIAL REPORTING DATES FOR THE YEAR 2011-12

Unaudited Financial Results

1st Quarter	August 11, 2011
2nd Quarter	October 29, 2011
3rd Quarter	February 06, 2012
4th Quarter	May 14, 2012

DATE OF BOOK CLOSURE

Saturday, September 1, 2012 to Wednesday, September 5, 2012 (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 2012-13 have been paid in full by the Company.*

** The Securities of the Company has been delisted from DSE w.e.f. July 01, 2011.*

COMPLIANCE OFFICER

Name: Nidhi Agarwal
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.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028
Tel: 011-41410592-94

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

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

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are required to be traded in the dematerialized form and are available for trading under both the depository systems in India-NSDL & CDSL. The annual custodian fees for the financial year 2011-12 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, 2012, 7531223 shares of the company constituting 82.64 % of the paid up capital are in dematerialized form.

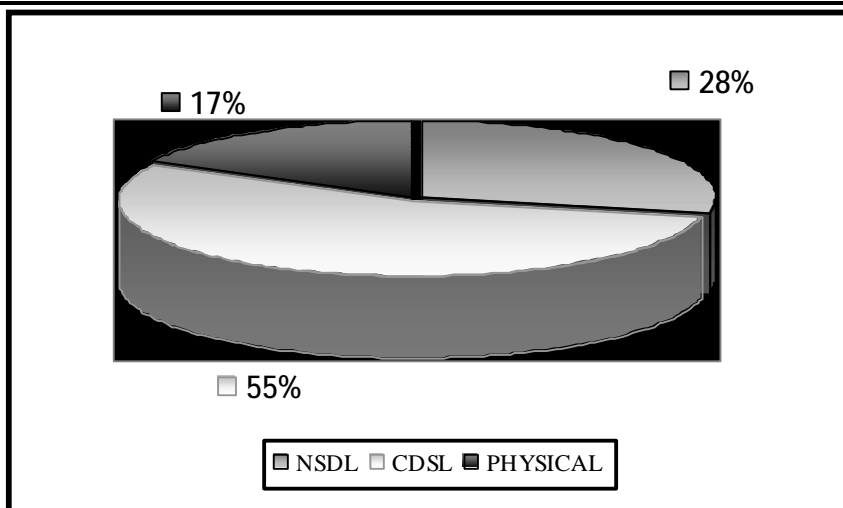
For guidance on depository services, shareholders may write to the company or to the respective depositories:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
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: www.nsdl.co.in	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:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	2590251	28.42
CDSL	4940972	54.22
Physical	1581977	17.36
Total	9113200	100



DISTRIBUTION OF SHAREHOLDING

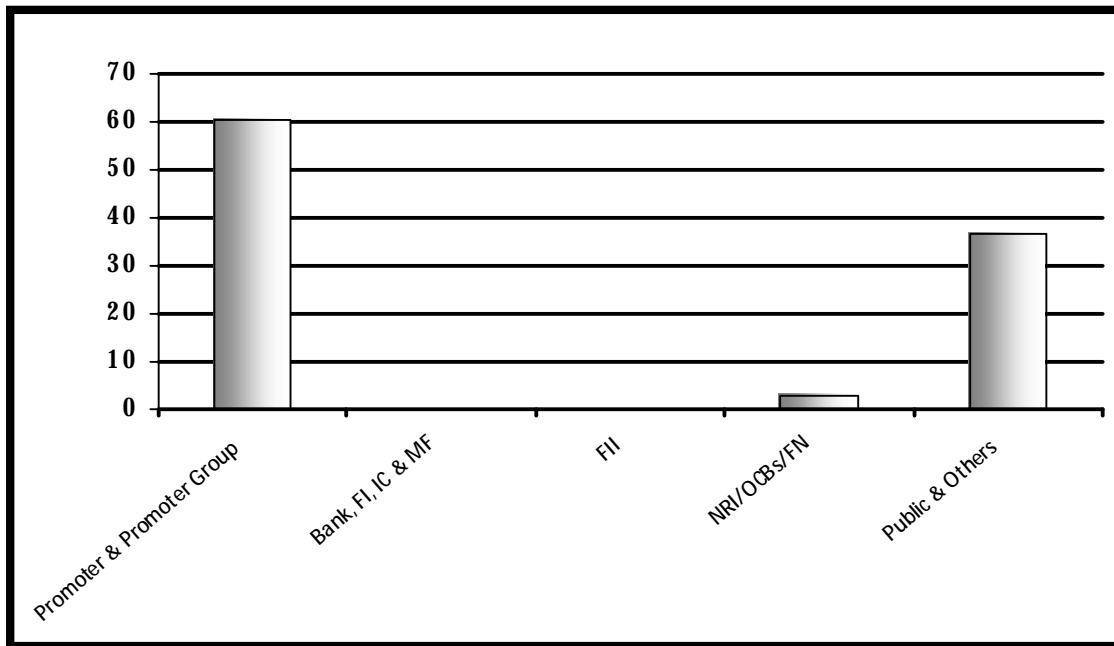
Distribution of shareholding of the Company as on March 31, 2012 is as under:

Range	No. of Shareholders	% of Shareholders	Number of Shares	% of Total Shares
Upto 2500	4636	67.689	661956	7.264
2501-5000	1406	20.529	500109	5.488
5001-10000	522	7.622	397979	4.367
10001-20000	133	1.942	206469	2.266
20001-30000	40	0.584	103995	1.141
30001-40000	23	0.336	80575	0.884
40001-50000	21	0.307	98394	1.080
50001-100000	35	0.511	245031	2.689
100001 & Above	33	0.482	6818692	74.822
Total	6849	100.00	9113200	100.00

CATEGORY OF SHAREHOLDERS

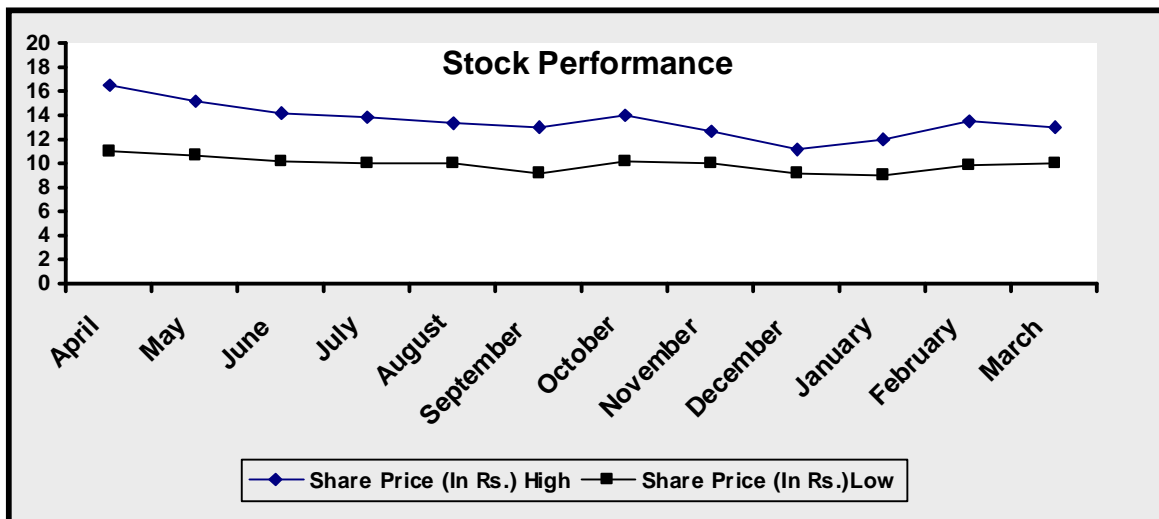
Categories of Shareholders of the company as on March 31, 2012 are as under:

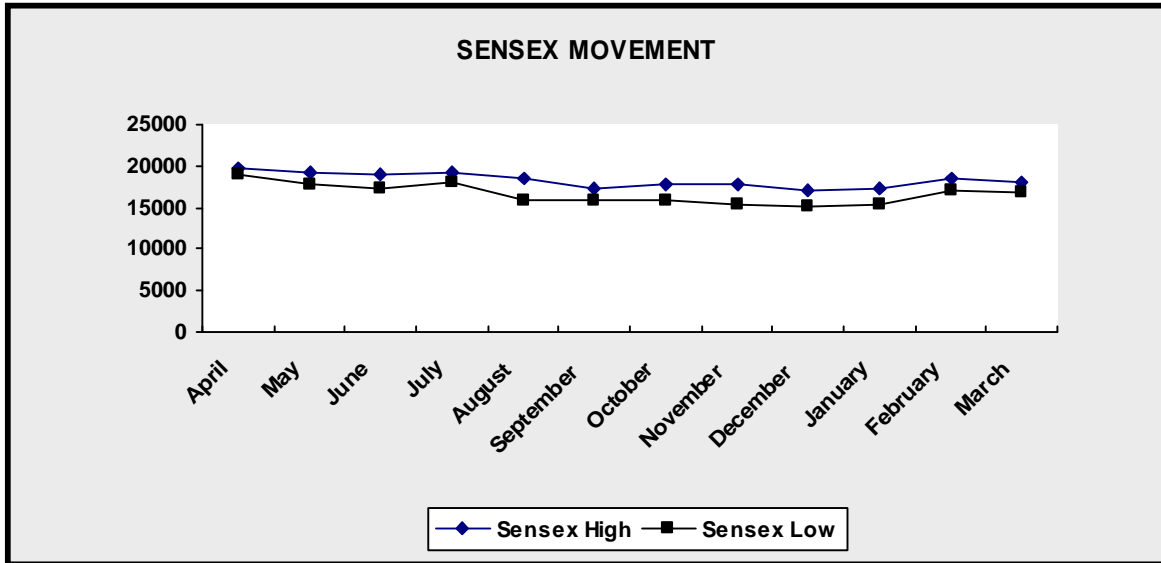
Category	No. of Shares held	Percentage
Promoters & Promoter Group	5508500	60.445
Banks, Financial Institution, Insurance Company and Mutual Fund	NIL	NIL
Foreign Institutional Investors	NIL	NIL
NRIs/OCBs/Foreign Nationals	281482	3.089
Public and Others	3323218	36.466
Total	9113200	100.00



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 11	16.52	11.05	19,811.14	18,976.19
May 11	15.20	10.70	19,253.87	17,786.13
June 11	14.19	10.15	18,873.39	17,314.38
July 11	13.78	10.03	19,131.70	18,131.86
August 11	13.39	10.05	18,440.07	15,765.53
September 11	13.00	9.21	17,211.80	15,801.01
October 11	13.95	10.13	17,908.13	15,745.43
November 11	12.65	10.08	17,702.26	15,478.69
December 11	11.19	9.09	17,003.71	15,135.86
January 12	11.95	9.00	17,258.97	15,358.02
February 12	13.50	9.91	18,523.78	17,061.55
March 12	12.95	10.05	18,040.69	16,920.61





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 2,2012**

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, 2012.

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, 2012**

**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, 2012:

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2012. 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, 2012 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 2,2012

AUDITORS' REPORT

To,
The Members,
Howard Hotels Limited.
New Delhi

REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012 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, 2012, 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
 - 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: August 2, 2012

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, 2012

- 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. 150 lacs and the year-end balance of loans taken from such parties was Nil.
 - 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, 2012 for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, and the records of the company examined by us, dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of disputes and the forum where the disputes are pending as under:

Name of the Statute	Nature of Dues	Amount (Rs in Lacs.)	Period to which amount relates	Forum where disputes pending
UP Vat Act	Vat Demand	3.09 Lacs	2007-2008	Additional Commissioner (Appeal)

- 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: August 2, 2012

BALANCE SHEET

As at 31st March 2012

Particulars	Note No.	AS AT MARCH 31, 2012 (` In Lacs)	AS AT MARCH 31, 2011 (` In Lacs)
<u>I. EQUITY AND LIABILITIES</u>			
1. Shareholders' Funds			
(a) Share Capital	1	911.32	911.32
(b) Reserves and Surplus	2	295.13	212.59
2. Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)		105.13	70.45
(b) Long-Term Provisions	3	7.36	9.78
4. Current Liabilities			
(a) Short-Term Borrowings	4	-	150.00
(b) Trade Payables	5	35.95	40.84
(c) Other Current Liabilities	6	69.71	58.30
(d) Short-Term Provisions	7	23.76	29.80
TOTAL		1,448.36	1,483.08
<u>II. ASSETS</u>			
1. Non-Current Asset			
(a) Fixed Assets			
(i) Tangible Assets	8	891.93	873.13
(ii) Intangible Assets	9	6.29	-
(iii) Capital work-in-progress		13.17	-
(b) Other Non-Current Assets	10	43.25	7.61
2. Current Assets			
(b) Inventories	11	9.73	8.87
(c) Trade Receivables	12	71.42	68.22
(d) Cash and Cash Equivalents	13	256.13	398.71
(e) Short-Term Loans and Advances	14	0.50	1.57
(f) Other Current Assets	15	155.94	124.96
TOTAL		1,448.36	1,483.08
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

For & on behalf of the Board of Directors

Sd/-
[CA K. C. Gupta]
Partner
M. No. 088638
FRN No. 003824N

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

Sd/-
[Nirvikar Nath Mittal]
Whole Time Director

Sd/-
[Nidhi Agarwal]
Company Secretary

Place: Agra (U. P.)
Date: August 2, 2012

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2012

Particulars	Note No.	AS AT MARCH 31, 2012 (` In Lacs)	AS AT MARCH 31, 2011 (` In Lacs)
I. Revenue from operation	16	1006.65	1021.84
II. Other Incomes	17	45.81	27.90
III. Total Revenue (I+ II)		1052.46	1049.74
IV. Expenses			
Material consumption	18	122.90	111.58
Employee Benefit Expenses	19	228.43	202.88
Finance Costs	20	18.24	34.01
Depreciation and Amortization Expense	8& 9	69.58	62.19
Other Expenses	21	496.10	490.76
V. Total Expenses		935.25	901.43
VI. Profit before tax (III-V)		117.21	148.31
IX. Tax Expense:			
(1) Current tax(MAT)		23.45	29.60
(2) Deferred tax		34.67	48.93
(3) MAT Credit entitled		23.45	29.60
X. Profit for the period		82.54	99.38
XVI. Earning Per Equity Share of ` .10/- each			
(1) Basic		0.91	1.19
(2) Diluted		0.91	1.19
See accompanying notes to the financial statements	22 to 38		

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: August 2, 2012

Sd/-
[Nidhi Agarwal]
Company Secretary

NOTES TO FINANCIAL STATEMENT

For The Year ended 31st March, 2012

PARTICULARS	As at March 31,2012 (` In Lacs)	As at March 31,2011 (` In Lacs)
NOTE 1		
SHARE CAPITAL		
<u>Authorised Shares</u>		
1,00,00,000 Equity Shares of ` 10 each	1,000.00	1,000.00
<u>Issued,Subscribed & 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 st March, 2012		As at 31 st March, 2011	
	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
Outstanding at the end of period	9,113,200	911.32	9,113,200	911.32

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 st March, 2012		As at 31 st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity share of Rs. 10 each fully paid				
Nirankar Nath Mittal	7,24,593	7.95%	7,24,593	9.91%
Nirvikar Nath Mittal	6,14,266	6.74%	6,14,266	8.40%
Brij Lata Mittal	6,97,167	7.65%	6,97,167	9.53%
Mittal Fragrances Pvt. Ltd.	1,161,900	12.75%	1,161,900	15.89%
Rishi Real Estates India Pvt. Ltd.	1,000,000	10.97%	1,000,000	13.67%
Shree Nath Exports (India) Pvt. Ltd.	980,574	10.76%	980,574	13.41%

PARTICULARS	As at 31 st March 2012	As at 31 st March 2011
	(` In Lacs)	(` In Lacs)
D. Other details of Equity Shares for a period of five years immediately preceding 31.03.2012:		
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
Note 2		
RESERVES AND SURPLUS		
(a)Securities Premium		
As per Last Balance Sheet	40.50	-
Add: addition during the year	-	40.50
Closing Balance at the year end	40.50	40.50
(b)Surplus i.e. Balance in the Statement of Profit & Loss		
As per Last Balance Sheet	172.09	72.70
Add: addition during the year	82.54	99.38
Closing Balance at the year end	254.63	172.09
Total Reserve & surplus	295.13	212.59
Note 3		
LONG-TERM PROVISIONS		
Provisions for Employee Benefit	7.36	9.78
	7.36	9.78
Note 4		
SHORT TERM BORROWINGS		
Loans and advances from Related Parties – Directors	-	150.00
	-	150.00
Note 5		
TRADE PAYABLES		
Outstanding to Micro, Small & Medium Enterprises	-	-
Outstanding to Others	35.95	40.84
	35.95	40.84
Note 6		
OTHER CURRENT LIABILITIES		
Advance from customers	16.90	15.37
Expense Payable	28.71	21.96
Taxes Payable	12.07	7.11
Security Deposit	2.28	3.57
Other Payables (specify nature)	9.75	10.29
	69.71	58.30

PARTICULARS	As at 31 st March 2012	As at 31 st March 2011
	(` In Lacs)	(` In Lacs)
Note 7		
SHORT TERM PROVISIONS		
Provisions for Tax	23.45	29.60
Provisions for wealth tax	0.31	0.20
	23.76	29.80
Note 10		
OTHER NON-CURRENT ASSETS		
Fixed Deposits	13.88	7.61
Capital Advances	29.37	-
	43.25	7.61
Note 11		
INVENTORIES		
(a) Food, Beverage, Tobacco etc.	2.99	3.36
(b) Crockery, Cutlery, Glassware etc.	0.68	0.99
(c) Stores and Spare parts etc	6.06	4.52
	9.73	8.87
Note 12		
TRADE RECEIVABLES		
Unsecured, Considered Good		
-Outstanding for a period exceeding six months from due date	3.27	7.44
-Others	68.15	60.78
	71.42	68.22
Note 13		
CASH AND CASH EQUIVALENTS		
Balance with Banks		
- Deposit Account	138.18	305.10
- Current Accounts	114.14	89.34
Cash on Hand	3.81	4.27
	256.13	398.71
Note 14		
SHORT -TERM LOANS AND ADVANCES		
Staff Advance	0.50	0.84
Recoverable in cash or kind	-	0.73
	0.50	1.57

PARTICULARS	As at 31 st March 2012	As at 31 st March 2011
	(` In Lacs)	(` In Lacs)
<u>NOTE 15</u>		
OTHER CURRENT ASSETS		
Prepaid Expenses	9.09	9.45
Advance to Suppliers	8.86	0.89
Prepaid Taxes /Refund	33.18	42.74
MAT Credit	87.12	63.67
Others	17.68	8.21
	155.94	124.96
<u>NOTE 16</u>		
REVENUE FROM OPERATIONS		
(a) Rooms	626.00	650.03
(b) Food & Beverage	344.80	337.68
(c) Other Services	35.85	34.13
	1,006.65	1,021.84
<u>NOTE 17</u>		
OTHER INCOMES		
Interest Income (TDS ` . 3.96 lacs)	27.93	18.39
Other Non-Operating Income		
- Rent Received	4.35	4.35
- Miscellaneous Income	13.52	5.15
	45.81	27.90
<u>NOTE 18</u>		
MATERIAL CONSUMPTION		
Food & Beverage, Tobacco etc Consumed	122.90	111.58
	122.90	111.58
<u>NOTE 19</u>		
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	149.84	129.82
Contribution to PF and Other Funds	12.60	10.89
Director Remuneration	65.05	60.00
Staff Welfare Expenses	0.94	2.16
	228.43	202.88

PARTICULARS	As at 31 st March 2012	As at 31 st March 2011
	(` In Lacs)	(` In Lacs)
NOTE 20		
FINANCE COST		
Bank Charges	0.70	0.76
Interest Expense	17.54	33.25
	18.24	34.01
NOTE 21		
OTHER ADMINISTRATIVE AND SELLING EXPENSES		
Traveling & Conveyance	13.23	13.07
Postage & Telephone	1.75	1.56
Insurance	3.65	3.78
Rent, Rates & Taxes	31.54	17.14
Printing & Stationary	6.76	6.69
Guest Supplies	9.06	6.25
Room Purchases	1.45	2.26
Power & Fuel	143.03	153.90
Professional & Legal Expenses	9.11	23.83
Loss on sale of fixed Assets	4.27	-
Repair & Maintenance		
- Buildings	30.03	42.64
- Furniture & Fixtures	7.57	9.42
- Plant & Machinery	15.26	16.79
- Others	35.31	33.58
Marketing & Service Charges	5.07	2.62
Management & Franchise Fees	43.38	59.45
Commission	2.79	1.30
Renovation & Renewal Expenses	52.77	27.75
Upkeep & Maintenance	45.40	40.67
Festival Expenses	4.08	1.25
A.G.M. Expenses	2.26	2.03
Telephone & Fax	6.91	5.91
Auditors' Remuneration	1.43	0.66
Auditors' Remuneration	4.23	4.08
Commission on Credit Cards	9.75	5.65
Misc Expenses	5.70	8.27
F & B Other expenses	0.31	0.20
Wealth Tax		
	496.10	490.76

NOTE 8**Tangible Assets As on 31st March 2012****(` In Lacs)**

PARTICULARS	GROSS BLOCK				DEPRICIATION BLOCK				NET BLOCK	
	Cost As on 1 st April 2011	Addition during the year	Deductions	Total as on 31 st March 2012	Up to 01.04.2011	For the year	Deductions	Total as on 31 st March 2012	W.D.V. as on 31.03.2012	W.D.V. as on 31.03.2011
LAND	33.45	-	-	33.45	-	-	-	-	33.45	33.45
BUILDING	754.74	-	-	754.74	178.31	12.30	-	190.61	564.13	576.43
PLANT & MACHNERY	487.21	15.57	-	502.78	302.81	26.10	-	328.91	173.87	184.40
FURNITURE & FIXTURE	143.48	51.50	4.31	190.68	127.82	14.80	2.08	140.54	50.14	15.66
VEHICLE	88.86	26.60	10.84	104.62	33.49	10.09	2.83	40.75	63.87	55.37
COMPUTER	34.20	4.71	-	38.92	26.38	6.06	-	32.44	6.47	7.82
TOTAL	1,541.94	98.39	15.15	1,625.18	666.81	69.35	4.91	733.26	891.93	873.13
Previous Year	1,479.94	62.00	-	1,541.94	606.62	62.19	-	668.81	873.13	873.32

NOTE 9**Intangible Assets As on 31st March 2012**

PARTICULARS	GROSS BLOCK				DEPRICIATION BLOCK				NET BLOCK	
	Cost as on 01.04.2011	Addition during the year	Sale/Disposal during the year	Total as on 31.03.2012	Up to 01.04.2011	For the year	Adjustment	Up to 31.03.2012	Net carrying amount as on 31.03.2012	Net carrying amount as on 31.03.2011
COMPUTER SOFTWARE	-	6.52	-	6.52	-	0.23	-	0.23	6.29	-
TOTAL	-	6.52	-	6.52	-	0.23	-	0.23	6.29	-
Previous Year	1,479.94	62.00	-	1,541.94	606.62	62.19	-	668.81	873.13	873.32

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

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. 2.32 Lacs (net of advance) (P.Y. Rs. 8.54 Lacs net of advance), as the appeal has been filled with the concerned department.

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

S. No.	Particulars	March 31, 2012 (` In Lacs)	March 31, 2011 (` In Lacs)
	Deferred Tax Liabilities		
a.	Difference in depreciation for accounting and tax purposes	179.66	195.39
	Deferred Tax Assets		
a.	Unabsorbed Depreciation	70.98	120.39
b.	Provision for Retirement Benefits	2.39	3.24
c.	Disallowance of Provision for Bonus	1.17	1.30
	Total Deferred Tax Assets	74.54	124.94
	Net Deferred Tax Assets/ (Liability)	(105.12)	(70.45)

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, 2012:

a) Key Management Personnel & their relatives:

Mr. Nirankar Nath Mittal	:	Chairman & Managing Director
Mr. Nirvikar Nath Mittal	:	Executive Director
Mr. Shrikant Mittal	:	Executive Director
Mrs. Brij Lata Mittal	:	Brother’s Wife of Mr. Nirankar Nath Mittal
Mrs. Neena Mittal	:	Wife of Mr. Nirvikar Nath Mittal
Mrs. Sarita Mittal	:	Wife of Mr. Nirankar Nath Mittal
Mr. Saurabh Mittal	:	Brother of Mr. Shri Kant Mittal

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

Related Party Transactions	(Rs. In Lacs)		
	A	b	Total
Particulars			
Directors’ Remuneration	65.05	-	65.05
Lease rent	15.38	-	15.38
Interest Expense	17.50	-	17.50
Rent Received	-	4.80	4.80
Total	97.93	4.80	102.73
Balance outstanding:			
- Due from	--	--	--
- Due to	1.88	---	1.88

Previous year	A	B	Total
Loan Repaid	186.25	0.00	186.25
Directors' Remuneration	60.00	0.00	60.00
Interest Payment	33.25	0.00	33.25
Lease rent	3.86	0.00	3.86
Allotment of shares	-	220.50	220.50
Rent Received	-	4.80	4.80
Total	283.36	225.30	508.66
Balance outstanding:			
- Due from	--	--	--
- Due to	150.00	---	150.00

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 2012 (In Lacs)	31st March 2011 (In Lacs)
a) Audit Fee	1.10	0.66
b) Other Services	0.33	-
Total	1.43	0.66

28. Basic and diluted earning per share:

S.No.	Particulars	31st March 2012	31st March 2011
a.	Net Profit for the year (Rs. In Lacs)	82.54	99.38
b.	Weighted Average No of Equity Shares used in computing Basic- Earning per Share	91,13,200	83,48,816
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	83,48,816
e.	Nominal Value of Equity shares- (Rs.)	10.00	10.00
f.	Earning Per Shares (Rs.) Basic & Diluted	0.91	1.19

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

	31st March 2012 (In Lacs)	31st March 2011 (In Lacs)
Salary	60.95	60.00
Perquisites	4.10	Nil
Director's Sitting fees	0.06	0.05

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 2012	31st March 2011
Total Foreign Currency Encased	95.88	97.18
Total Foreign Currency outgo (Travelling)	1.14	---

35. **CIF Value of Imports** (Amount Rs. in Lacs)

	31st March 2012	31st March 2011
Capital Goods	20.80	---

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. Till the year ended 31st March,2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of financial statements. During the year ended 31st March,2012, the revised schedule VI notified under Companies Act,1956 has become applicable to the Company. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation for financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. As a result, previous years' figures have been regrouped/ reclassified to conform to this year's financial statements where necessary.

As per our Report of even date attached

For & on behalf of the Board of Directors

P. C. Bindal & Co.
Chartered Accountants

Sd/-
[CA 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: August 2,2012

Sd/-
[Nidhi Agarwal]
Company Secretary

CASH FLOW STATEMENT

For the year ended March 31, 2012

PARTICULARS	YEAR ENDED MARCH 31, 2012 (` In Lacs)	YEAR ENDED MARCH 31, 2011 (` In Lacs)
<u>A. Cash flow from operating activities</u>		
Net profit before tax but after exceptional items	117.21	148.51
Adjustments for		
Depreciation	69.58	62.19
Loss on Sale of assets	4.27	-
Finance Cost	18.24	34.01
Operating profit before working capital changes	209.30	244.71
<u>Adjustments for change in working capital</u>		
Decrease / (increase) in inventory	(0.86)	(0.44)
Decrease / (increase) in debtors	(3.20)	30.22
Decrease / (increase) in loans & advances	(29.90)	(37.43)
Decrease / (increase) in Non current assets	(35.64)	-
(Decrease) / increase in Retirement Benefits	(2.42)	(1.93)
(Decrease) / increase in current liabilities	0.48	22.10
Cash generated from operation	137.76	257.23
Prior Period Income / (Expenses)	-	-
Income Tax (paid)	-	4.52
Net cash from operating activities (a)	137.76	261.57
<u>B. Cash flow from investing activities</u>		
Sale of fixed assets	5.98	-
Purchases of fixed assets	104.91	62.00
Capital work in progress	13.17	-
Net cash from investing activities (b)	(112.10)	(62.00)
<u>C. Cash flow from financing activities</u>		
Proceeds from Allotment of Shares	-	106.00
Proceeds/(Repayments) of long term borrowings	(150.00)	(153.00)
Finance Cost	(18.24)	(34.01)
Net cash from financing activities (c)	(168.24)	(81.01)
Net increase/decrease in cash & cash equivalents (a+b+c)	(142.58)	118.73
Cash & cash equivalents at the opening of the year	398.71	287.59
Cash & cash equivalents at the closing of the year	256.13	398.71
(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: August 2, 2012

For & on behalf of the Board of Directors

Sd/-

[Nirankar Nath Mittal]

Chairman & Managing Director

Sd/-

[Nirvikar Nath Mittal]

Whole Time Director

Sd/-

[Nidhi Agarwal]

Company Secretary

HOWARD HOTELS LIMITED

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

ATTENDANCE CARD

23rd Annual General Meeting, Wednesday, September 5, 2012 at 10.00 A.M.

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

I/ We hereby record my/ our presence at the 23rd Annual General Meeting of the Company being held on Wednesday, September 5, 2012 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*

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HOWARD HOTELS LIMITED

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

FORM OF PROXY

23rd Annual General Meeting, Wednesday, September 5, 2012 at 10.00 A.M.

*Folio No. /DP & Client ID..... No. of shares.....
I/Weof.....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 23rd Annual General Meeting
of the Company to be held on Wednesday, September 5, 2012 at Executive Club C/o Dolly Farms and Resorts Private
Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi -74 at 10:00 A.M. and at any adjournment thereof.

As witness my/our hand(s) this day of 2012.

.....
(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.*