



15th

**ANNUAL REPORT
FOR THE YEAR
2003-2004**

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HOWARD HOTELS LIMITED

HOWARD HOTELS LTD.

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 SIKARVAR	
	RAVI KANT BANSAL	
	NEENA MITTAL	
	SAURABH KANT MITTAL	
	PAWAN KUMAR	
	PRAKASH CHAND GOEL	
COMPANY SECRETARY	NARESH KUMAR JETHWANI	
AUDITORS	VIJAY K. JAIN & CO. CHARTERED ACCOUNTANTS 112, COMMUNITY CENTRE, RING ROAD, WAZIRPUR, DELHI - 110 052	
BANKERS	INDIAN OVERSEAS BANK PUNJAB NATIONAL BANK CANARA BANK	
REGISTRARS & SHARE TRANSFER AGENT	INTIME SPECTRUM REGISTRY LIMITED A-31, 3rd FLOOR, NARAINA INDUSTRIAL AREA PHASE -I, NEW DELHI - 110 028	
HOTEL SITE	HOWARD PARK PLAZA INTERNATIONAL FATEHABAD ROAD, AGRA (U.P.)	
REGISTERED OFFICE	20, MAURYA COMPLEX B-28, SUBHASH CHOWK, LAXMI NAGAR, NEW DELHI - 110 092	

HOWARD HOTELS LTD.**NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of Howard Hotels Limited will be held on Thursday 30th December, 2004 at 9.30 A.M. at the Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi -110030 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 2004 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 the place of Mr. Uday Bhan Singh Sikarwar, who retires by rotation and being eligible offer himself for reappointment.
3. To Appoint a Director in the place of Mr. Saurabh Kant Mittal, who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint M/s Vijay K. Jain & Co., Chartered Accountants, to hold office as Statutory auditors of the Company 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.

B. SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"Resolved that Shri Pawan Kumar who was appointed as an additional Director of the Company by the Board of Directors with effect from 15th March, 2004 and who holds office up to the date of the forthcoming Annual General Meeting under section 260 of the Company Act, 1956, being eligible for reappointment and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"Resolved that Shri Prakash Chand Goel who was appointed as an additional Director of the Company by the Board of Directors with effect from 15th March, 2004 and who holds office up to the date of the forthcoming Annual General Meeting under section 260 of the Company Act, 1956, being eligible for reappointment and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

NOTES

1. The relative explanatory statement, pursuant to section 173(2) of the Companies Act, 1956, in

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respect of the business under item Nos. 5 and 6 is annexed hereto.

2. The register of the members and share transfer books of the Company shall remain closed from 27th December, 2004 to 30th December, 2004(both days inclusive).
3. 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 .
4. 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.
5. Members/ proxies should bring the attendance slip sent herewith duly filled in for attending the meeting they admission slip along with their copies of annual reports to the meeting.
6. 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.
7. 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.'
8. 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 .

Place: New Delhi
Dated : 22-11-2004

By order of the Board

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

(Naresh Kumar Jethwani)
Company Secretary

HOWARD HOTELS LTD.**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item no. 5**

The Board of Directors of the Company at its meeting held on 15th March, 2004 had appointed Mr. Pawan Kumar as additional Director of the Company. In terms of section 260 of the Companies act, 1956, he is supposed to hold office till the conclusion of ensuing annual general meeting, however is eligible for reappointment. The Company has received a notice pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose the Candidature for the office of Director of the Company, at the forthcoming Annual general Meeting of the Company.

Item no. 6

The Board of Directors of the Company at its meeting held on 15th March, 2004 had appointed Mr. Prakash Chand Goel as additional Director of the Company. In terms of section 260 of the Companies act, 1956, he is supposed to hold office till the conclusion of ensuing annual general meeting, however is eligible for reappointment. The Company has received a notice pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose the Candidature for the office of Director of the Company, at the forthcoming Annual general Meeting of the Company.

None of the Directors of your Company is concerned or interested in this resolution except Mr. Pawan Kumar, Shri Prakash Chand Goyal.

Place: New Delhi

By order of the Board

Dated :

Registered office

(Naresh Kumar Jethwani)
Company Secretary20, Maurya Complex,
B-28, Subhash Chowk
Laxmi Nagar, New Delhi-92

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report of the company together with audited statement of accounts for the financial year ended 31st March 2004 along with the report of the Statutory Auditors thereon.

FINANCIAL RESULTS

PARTICULARS	CURRENT YEAR (2003-2004)	PREVIOUS YEAR (2002-2003)
1. Total Income	409.78	330.40
2. Gross Profit / (Loss) Before interest and depreciation	152.98	100.60
3. Interest	40.75	48.01
4. Profit / (Loss) after int. but before depreciation	112.23	52.05
5. Depreciation	43.15	43.44
6. Net Profit/(Loss)	69.08	8.61

COMPANY'S PERFORMANCE

The tourism industry in the year 2003-04 witnessed another drastic year, which is evident from the fact that there were immense cancellation of foreign group bookings during the year. Inspite of the above your Company could achieve a total income of Rs. 409.78 lacs against Rs. 330.40 lacs from previous year which is increase by 79.38 lacs. Your Company believes in the longer-term prospects for this industry are very bright. The management of your Company is putting in its best efforts to increase the sales and the overall profitability of your Company.

FUTURE PROSPECTUS

The company has renewed its agreement for franchise with Park Plaza. As per the terms of the agreement a team of expert of Park Plaza will look after the promotional activities of the Hotel of the company in the present scenario of the hotel industry. Further the management of the company is planning to renovate its hotel as per international standards to fetch the future opportunities. Management of the company is also planning to come out with some attractive packages for national and international tourists.

DIRECTORS RESPONSIBILITY STATEMENT

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

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.

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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, 2004 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.
4. That the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

In terms of implementation schedule under Clause 49 of the listing agreement, the company is required to implement the requirements of Clause 49 within financial year 2003-2004 but no later than March 31, 2004 is enclosed herewith.

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, Mr. Uday Bhan Singh Sikarwar and Mr. Saurabh Kant Mittal, directors, retire by rotation and are eligible for reappointment. Mr. Pawan Kumar and Mr. Prakash Chand Goel the additional directors are also eligible for re-appointment. Your board recommends their appointments as directors in the best interest of the company.

AUDITORS

The Auditors, M/s Vijay K. Jain & Co. Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Regarding the notes contained in the Auditors Report, your Directors wish to state that the notes referred to by the auditors are self-explanatory and does not call for any further clarifications.

INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTOR) RULES 1988**A. Conservation of energy**

The Company is making all efforts to save in energy and efforts would be made to further economies.

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.

HOWARD HOTELS LTD.**C. Foreign Conservation of energy**

Total foreign Exchange earned and encased	: This year	4578577.50.
Total foreign Exchange earned and encased	: Last year	2996009.00
Total foreign Exchange outgo	: This year	NIL
Total foreign Exchange outgo	: Last year	NIL

PARTICULARS OF EMPLOYEES

In accordance with the requirements of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 it is reported that none of the employees of the Company were in receipt of remuneration of more than Rs. 2400000/- per annum or Rs. 200000/- per month when employed for part of the year.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial and harmonious in the hotel during the year under review.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation to M/s Sarover Park Plaza hotels and Resorts 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 cooperation and assistance extended by Indian Overseas Bank, ICICI Bank, Canara Bank and Punjab National Bank and other departments of tourism, Central/State Governments and other statutory authorities and associated with the company and all employees of the Company.

Place: New Delhi
Dated: 22-11-2004

for & behalf of the Board of the director

(Nirankar Nath Mittal)
Chairman

CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY:-

Your Company, in its quest for excellence has continuously adopted and consistently adhered to the best of Corporate Governance practice. Attaining highest level of standards in Corporate Governance has been the philosophy of the company in its pursuit of achieving long – term corporate goals and objectives.

Corporate Governance is the mechanism by which values, principles, management policies and procedures of a company are made manifest in the real world, it refers to the entire system by which a company is managed and monitored, its corporate principles and guidelines and the systems of international and external controls and supervision to which the company's operations are subjected.

Your Company is dedicated to increased long-term shareholders value, keeping in view the needs and interest of all its stakeholders. Your Company places uncompromising emphasis on integrity and regularly compliance thereby strengthening investor's trust and ensures it fulfils the quest for growth and profits.

2)a) BOARD OF DIRECTORS

The Board consists of 11 Directors (one Chairman cum Managing Director, Two whole time Director , Eight non- executive directors). More than half of the Board comprise of non-executive directors. The details of Directors seeking re-appointment have been attached along with the notice of the Annual General Meeting.

THE COMPOSITION OF THE BOARD IS AS UNDER:-

S. No.	Name of the Director	Category of Director	No. of Board Meeting Last Attended	Attendance of Last AGM	No. of Director Ship in other Co's	No. of Committee Chairman Ship	Remuneration Perquisite	Qualification & Experience	Seeking Appointment Re-Appointment
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	Mr. S.R. Narula (upto 02-12-03)	(CMD) (upto 16.10.03)	10	No	—	—	Rs.20000/-	Graduate 40 Years	—
2.	Mr. Sandeep Narula (upto 16.10.03)	(Exec. Dir.)	8	No	—	—	—	—	—
3.	Mrs. Adarsh Narula (upto 14.06.03)	(Dir.)	02	No	—	—	—	—	—
4.	Mr. Prem Begga (upto 14.06.03)	(Dir.)	02	No	—	—	—	—	—
5.	Mr. Anil Sharma (upto 14.06.03)	(Nominee Dir- PICUP	NIL	No	10	—	—	—	—

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6. Mr Gaurav Begga (upto 18.10.03)	(DIR)	03	No					
7. Mr. Nirankar Nath Mittal	(CMD)	14	Yes	01	—	Note	—	—
8. Mr. Nirvikar Nath Mittal (from 08.09.03)	(WTD)	12	Yes	01	—	Rs. 72000 pm	—	—
9. *Mr. U.B.S Sikarwar	(DIR)	09	Yes	No	—	—	—	as per note
10. Mr. Shri Kant Mittal	(WTD)	15	Yes	No	—	Rs 54000 pm	—	—
11. Mrs. Neena Mittal	(DIR)	14	Yes	No	—	—	—	—
12. Mr. Saurabh K. Mittal	(DIR)	14	Yes	No	—	—	—	as per note
13. * Mr. Ravi Kant Bansal	(DIR)	12	Yes	No	03	—	—	—
14. Mr. Omkar Nath Mittal (upto 07-10-2003) (from 15-03-2004)	(DIR)	NIL	No	No	—	—	—	—
15. Smt. Brij Lata Mittal (upto 07-10-2003) (from 15-03-2004)	(DIR)	NIL	No	No	—	—	—	—
16. Smt Ruchi Mittal (upto 29.11.03)	(DIR)	NIL	No	No	—	—	—	—
17. Smt Savita Mittal (upto 29.11.03)	(DIR)	NIL	No	No	—	—	—	—
18. Shri Varun Mittal (upto 29.11.03)	(DIR)	NIL	No	No	—	—	—	—
19. *Mr. Pawan Kumar (from 15.03.04)	(DIR)	NIL	N.A.	No	—	—	—	as per note
20. *Mr. Prakash Chand Goyal (from 15.03.04)	(DIR)	NIL	N.A.	No	—	—	—	as per note

* Denotes Independent Directors.

Note:

Mr. Nirankar Nath Mittal, Chairman cum Managing Director of the Company has not received any Salary and remuneration except perquisites.

2)b) NUMBER OF BOARD MEETINGS

During the year ended, Sixteen Board meetings were held on 30-04-2003, 14-06-2003, 28-07-2003, 30-08-2003, 08-09-2003, 07-10-2003, 14-10-2003, 16-10-2003, 31-10-2003, 04-11-2003, 02-12-2003, 30-12-2003, 05-01-2004, 20-01-2004, 30-01-2004, 15-03-2004.

3.) INTERNAL AUDIT

During the year the issues raised by the Internal Auditor were taken up in the meeting of the Audit