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17th

ANNUAL REPORT FOR THE YEAR 2005-2006

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HOWARD HOTELS LIMITED

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BOARD OF DIRECTORS	NIRANKAR NATH MITTAL	CHAIRMAN CUM MANAGING DIRECTOR
	NIRVIKAR NATH MITTAL	DIRECTOR
	SHRI KANT MITTAL	DIRECTOR
	UDAY BHAN SINGH SIKARWAR	DIRECTOR
	RAVI KANT BANSAL	DIRECTOR
	PAWAN KUMAR	DIRECTOR
	PRAKASH CHAND GOYAL	DIRECTOR
	TARUN MITTAL	DIRECTOR
	SATYENDRA NATH	DIRECTOR
	BENGALI MAL AGARWAL	DIRECTOR
	HARIOM MAHESHWARI	DIRECTOR
COMPANY SECRETARY	VISHAL SHARMA	
AUDITORS	VIJAY K. JAIN & CO. CHARTERED ACCOUNTANTS 112, COMMUNITY CENTRE RING ROAD, WAZIRPUR DELHI-110052	
BANKERS	INDIAN OVERSEAS BANK PUNJAB NATIONAL BANK CANARA BANK	
REGISTRAR & SHARE TRANSFER AGENT	INTIME SPECTRUM REGISTRY LIMITED A-31, 3RD FLOOR, NARAINA, INDUSTRIAL AREA, PHASE-I NEW DELHI-110028	
HOTEL SITE	HOWARD PARK PLAZA INTERNATIONAL FATEHABAD ROAD, AGRA (U.P.)	
REGISTERED OFFICE	20, MAURYA COMPLEX B-28, SUBHASH CHOWK LAXMI NAGAR NEW DELHI-110092	

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Howard Hotels Limited

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of Howard Hotels Limited will be held on Thursday 28th September, 2006 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 2006 and Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Report of Directors and Auditors thereon.

2. To Appoint a Director in place of Mr. Uday Bhan Singh Sikarwar, who retires by rotation and being eligible offer himself for reappointment.

3. To Appoint a Director in place of Mr. Pawan Kumar, who retires by rotation and being eligible offers himself for reappointment.

4. To Appoint a Director in place of Mr. Prakash Chand Goyal, who retires by rotation and being eligible offers himself for reappointment.

5. To Appoint M/s Vijay K. Jain & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

B. SPECIAL BUSINESS

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

"Resolved that Shri Satyendra Nath who was appointed as an additional Director of the Company by the Board of Directors with effect from 29th December '2005 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."

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

"Resolved that Shri Hariom Maheshwari who was appointed as an additional Director of the Company by the

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Board of Directors with effect from 29th December '2005 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 respect of the business under item Nos. 6,7 is annexed hereto.
2. The register of the members and share transfer books of the Company shall remain closed from 22nd September, 2006 to 28th September, 2006(both days inclusive).
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote instead of himself and such proxy / proxies need not be a member of the Company. The instrument appointing the proxy / proxies 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 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 : 18/08/2006

By order of the Board

(Vishal Sharma)
Company Secretary

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

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956).

Item no. 6

The Board of Directors of the Company at its meeting held on 29th December 2005 had appointed Mr. Satyendra Nath as additional Director of the Company. In terms of section 260 of the Companies act, 1956, he is supposed to hold office till the beginning 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. 7

The Board of Directors of the Company at its meeting held on 29th December 2005 had appointed Mr. Hariom Maheshwari as additional Director of the Company. In terms of section 260 of the Companies act, 1956, he is supposed to hold office till the beginning 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 these resolutions.

Place : New Delhi
Dated : 18/08/2006

By order of the Board

(Vishal Sharma)
Company Secretary

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

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DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the company together with audited statement of accounts for the financial year ended 31st March 2006 along with the report of the Statutory Auditors thereon.

FINANCIAL RESULTS

PARTICULARS	CURRENT YEAR (2005-2006)	PREVIOUS YEAR (2004-2005
1. Total Income	474.24	342.57
2. Gross Profit / (Loss) Before interest and depreciation	92.06	40.70
3. Interest	43.36	44.95
4. Profit / (Loss) after int. but before depreciation	48.70	(4.24)
5. Depreciation	48.20	45.35
6. Net Profit/(Loss)	.50	(49.59)

COMPANY'S PERFORMANCE

The tourism industry in the year 2005-06 showed some better results but it is still a beginning, its effect could be seen in the forthcoming years. The Company has earned profit this year in comparison to the losses suffered by the Company during the previous years. In the longer-term prospects, the future is very bright for the Company. The management of your Company is putting in their best efforts to increase the sales and the overall profitability of your Company. The Corporate Management is greatly emphasizing to improve the corporate image of the Company.

FUTURE PROSPECTUS

As you know the Company had successfully completed first phase of renovation process and now it has entered into second phase of renovation process, which is a part of the long term planning of the Company to make the hotel globally competitive. The team of experts of Park Plaza has been involved in the promotional activities of the Hotel of the Company, which will have far reaching effect on the future prosperity of the Company.

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.

2. That the Directors had selected such accounting policies and applied them consistently and made

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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 31,2006 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

Company has incorporated best Corporate Governance Practices. A separate report on Corporate Governance is attached 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, Shri Pawan Kumar, Shri Prakash Chand Goyal and Shri U.B.S Sikarwar, directors, retire by rotation and are eligible for reappointment. Shri Satyendra Nath and Shri Hariom Maheshwari ,the additional directors are also eligible for re-appointment as full fledged Directors. 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. 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.

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C. Foreign Exchange Earnings

Total foreign Exchange earned and encased	: This year	15873612.2
Total foreign Exchange earned and encased	: Last year	7264126.00
Net foreign Exchange outgo	: This year	140.83 $
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 associated with the company and all the employees of the Company.

Place : New Delhi
Dated : 05/08/2006

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

(Nirankar Nath Mittal)
Chairman Cum Managing Director

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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 fulfills the quest for growth and profits.

2)(a) BOARD OF DIRECTORS

The Board consists of 11 Directors. More then 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	Cateogary of Director	No. Of Board Meeting Attended	Attendance of last AGM	No. Of Director Ship in other Co's	No. of Comm-ittee Chairman Ship	Remun-eration Perquisite	Qualifi-cation & Experie-ence	Seeking Appoint-ment Re-appo-intment
1	2	3	4	5	6	7	8	9	10
1.	Mr. Nirankar Nath Mittal (CMD)		10	Yes	01	---	Note	---	N.A.
2.	Mr. Nirvikar Nath Mittal (WTD)		10	No	01	---	Rs. 71000 p.m.	---	N.A.
3.	Mr. Shri Kant Mittal (WTD)		10	No	No	—	Rs 54000 p.m.	---	N.A.
4.	Mr. U.B.S Sikarwar (DIR)		9	No	No	1	---	---	Yes
5.	Mr. Pawan Kumar (DIR)		9	Yes	No	—	---	---	Yes
6.	Mr. Prakash Chand Goyal (DIR)		9	Yes	No	—	---	---	Yes
7.	Mr. Ravi Kant Bansal (DIR)		9	Yes	No	2	—	---	N.A.
8.	Mr. Tarun Mittal (DIR)		9	No	No	—	—		N.A.
9.	Mr. Satyendra Nath (DIR) (From 29/12/05)		9	No	No	—	—	---	Yes
10.	Mr. Bengali Mal Agarwal (DIR) (From 29/12/05)		9	No	No	—	---		No
11.	Mr. Hariom Maheshwari (DIR) (From 29/12/05)		9	No	No	—	—		Yes

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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, Ten Board meetings were held on 30-04-2005, 09-07-2005, 23-07-2005, 08-08-2005, 27-08-2005, 04-10-2005, 15-10-2005, 04-11-2005, 12-01-2006, 27-02-2006.

3) INTERNAL AUDIT

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

4) STATUTORY AUDIT

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

5) AUDIT COMMITTEE

The Audit Committee of the company consists of three directors, including Shri Ravi Kant Bansal, Shri Uday Bhan Singh Sikarwar and Shri Pawan Kumar. The Audit Committee has met 5 times during the financial year 2005/06- 12th May 2005, 10th August 2005, 10th October 2005, 7th Jan.'2006 and 16th March, 2006. During these meeting, the Committee reviewed the changes in accounting policies and practices before submission to the board, recommended the appointment of statutory auditors including fixation of audit fee, discussed the internal auditors finding, reviewed the Company financial and risk management policies.

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

1. Shri Ravi Kant Bansal - Chairman.
2. Mr. Pawan Kumar - Member
3. Shri Uday Bhan Singh Sikarwar - Member

Mr. Naresh Jethwani, Company Secretary and Mr. Suresh Bhatt, Finance Controller were in attendance at the meeting held on 12/05/2005. Mr. N.K Jethwani, Company Secretary and Mr. Suresh Bhatt, Finance Controller were in attendance at the meeting held on 10/08/05. Mr. N.K. Jethwani, Company Secretary and Mr. Suresh Bhatt, Finance Controller were in attendance at the meeting held on10/10/2005. Mr. N.K. Jethwani, Company Secretary and Mr. Suresh Bhatt, Finance Controller were in attendance in the meeting held on 7/01/2006. Mr. Suresh Bhatt, Finance Controller were in attendance at the meeting held on 16/03/2006.

6) REMUNERATION COMMITTEE

The Company has constituted a remuneration Committee. The broad terms of reference of the committee is to review the structure of remuneration which is being paid to the company's Managing Director / Whole Time Director / Non Executive Director so as to ensure that the said remuneration is within the overall limits and

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