



14th

**ANNUAL REPORT
FOR THE YEAR
2002-2003**

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HOWARD HOTELS LIMITED

HOWARD HOTELS LTD.**BOARD OF DIRECTORS****S. R. NARULA****CHAIRMAN****NIRANKAR NATH MITTAL****VICE 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****COMPANY SECRETARY****K. N. MEHRA****AUDITORS****VIJAY K. JAIN & CO.
CHARTERED ACCOUNTANTS
112, COMMUNITY CENTRE,
RING ROAD, WAZIRPUR,
DELHI - 110 052****BANKERS****INDIAN OVERSEAS BANK
PUNJAB NATIONAL BANK
SYNDICATE BANK
CANARA BANK****REGISTRARS & SHARE
TRANSFER AGENT****INTIME SPECTRUM REGISTRY LIMITED
A-31, 3rd FLOOR, NARAINA INDUSTRIAL AREA
PHASE - I, NEWDELHI - 110 028****HOTEL SITE****HOWARD PARK PLAZA INTERNATIONAL
FATEHABAD ROAD, AGRA (U.P.)****REGISTERED OFFICE****20, MAURYA COMPLEX
B-28, SUBHASH CHOWK, LAXMI NAGAR,
NEWDELHI - 110 092**

HOWARD HOTELS LTD.**NOTICE**

NOTICE is hereby given that the fourteenth Annual General Meeting of the members of HOWARD HOTELS LIMITED will be held on Saturday, the 29th day of November, 2003 at 9.30 A.M. at the THE EXECUTIVE CLUB ,DOLLY FARMS & RESORTS PVT.LTD.439 VILLAGE SHAHOORPUR, P.O FATEHPUR BERI ,NEW DELHI - 110030 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March, 2003 and Profit and Loss Account for the year ended on that date together with the report of the Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration. M/s Vijay K. Jain & Company, Chartered Accountants, retire and being eligible, offer themselves for reappointment.

SPECIAL BUSINESS

3. To appoint a Director in place of Mr. Uday Bhan Singh Sikarwar, Additional Director who retires at the ensuing Annual General Meeting and offer himself for reappointment.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

" RESOLVED THAT Mr. Uday Bhan Singh Sikarwar be and is hereby appointed as a Director of the company "

4. To appoint a Director in place of Mr. Saurabh Kant Mittal, Additional Director who retires at the ensuing Annual General Meeting and offer himself for reappointment.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

" RESOLVED THAT Mr. Saurabh Kant Mittal be and is hereby appointed as a Director of the company "

5. To appoint a Director in place of Mr. Ravi Kant Bansal, Additional Director who retires at the ensuing Annual General Meeting and offer himself for reappointment.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

" RESOLVED THAT Mr. Ravikant Bansal be and is hereby appointed as a Director of the company "

6. To appoint a Director in place of Mrs. Neena Mittal, Additional Director who retires at the ensuing Annual General Meeting and offer herself for reappointment.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

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" RESOLVED THAT Mrs. Neena Mittal 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 pursuant to the provisions of Article No 100 and other applicable Articles, if any, of the Articles of the Association, section 198, 269, 309 and subject to schedule XIII of the said Act as may be amended from time to time and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval from the Central Govt .if required and such other approvals as may be necessary ,consent of the company be and is hereby accorded for the reappointment of Mr. Nirankar Nath Mittal as Managing Director and Vice Chairman for a period of 5 years with effect from 16.10..2003 and the payment of remuneration to him as per terms and conditions set out in the explanatory statement annexed hereto.

"RESOLVED FURTHER THAT Mr. Nirankar Nath Mittal shall not be liable to retire by rotation.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.

8. To consider and if thought fit, to pass with or without modification (s) the following Resolution as an Ordinary Resolution.

" RESOLVED THAT pursuant to the provisions of Article No 100 and other applicable Articles, if any, of the Articles of the Association, section 198, 269, 309 and subject to schedule XIII of the said Act as may be amended from time to time and other applicable provision, if any, of the Companies Act, 1956 and subject to approval from the Central Government if required and such other approvals as may be necessary, consent of the company be and is hereby accorded for the reappointment of Mr. Nirvikar Nath Mittal as Whole Time Director for a period of 5 years with effect from 07.09.2003 and the payment of remuneration to him as per terms and conditions set out in the explanatory statement annexed hereto.

"RESOLVED FURTHER THAT Mr. Nirvikar Nath Mittal shall not be liable to retire by rotation.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution

9. To consider and if thought fit, to pass with or without modification (s) the following Resolution as an Ordinary Resolution.

" RESOLVED THAT pursuant to the provisions of Article No 100 and other applicable Articles, if any, of the Articles of the Association, section 198, 269, 309 and subject to schedule XIII of the said Act as may be amended from time to time and other applicable provision, if any, of the Companies Act, 1956 and subject to approval from the Central Government if required and such other approvals as may be necessary, consent of the company be and is hereby accorded for the reappointment of Mr. Shri kant Mittal as Whole time Director for a period of 5 years with effect from 16.10.2003 and the payment of remuneration to him as per terms and conditions as set out in the explanatory statement annexed hereto.

"RESOLVED FURTHER THAT Mr Shri Kant Mittal shall not be liable to retire by rotation.

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"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution

10. To consider and if thought fit, to pass with or without modification (s) the following Resolution as a Special Resolution.

" RESOLVED THAT Mr. Nirankar Nath Mittal and Mr. Nirvikar Nath Mittal alongwith their nominees ,are hereby authorised to acquire control of Management alongwith the entire shareholdings of Mr. S.R. Narula and Mr. Sandeep Narula, the promoters of the company ,consisting of 1062100 Shares being 14.52% of the total share capital alongwith Voting Rights pursuant to a contract dated 20th September 2003, for a consideration of Rs 27,08,355/- @ Rs.2.55 per share .

RESOLVED FURTHER THAT the said acquisitions shall be subject to approval of statutory authorities.

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

ITEM NO: 7

Mr. Nirankar Nath Mittal was appointed as an additional Director of the Company w.e.f. 14.06.2003. He is a post graduate in Science and possesses 32 years of rich business experience. In order to effect the transfer of management and control, the Board of Directors in its meeting convened on 16th October 2003 has proposed the reappointment of Mr. Nirankar Nath Mittal as Vice Chairman cum Managing Director of the Company for a period of five years to be effective from 16.10.2003 to 15.10.2008 on the terms and conditions as set out below, subject to approval of the members in the forthcoming Annual General Meeting of the Company.

TERM OF OFFICE: 5 YEARS from 16.10.2003 to 15.10.2008.

SALARY: Rs 1/- per month with such increments as may be approved by the Board of Directors from time to time subject to an overall ceiling of Rs One Lac per month.

PERQUISITES: Perquisites to be allowed in addition to salary shall be restricted to an amount equivalent to Annual Salary. Perquisites are classified into three categories i.e. A, B & C as under:

CATEGORY-A

HOUSING:

- a) In case of unfurnished accomodation hired by the Company, the expenditure incurred by the Company on hiring of such accomodation shall not exceed 60% of salary, over and above 10% payable by the appointee.
- b) In case the accomodation is owned by the Company then 10% of salary of the appointee shall be deducted by the Company.
- c) In case no accomodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to ceiling laid down in (a) above.

EXPLANATION: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1961 subject to ceiling of 10% of the salary of the appointee.

MEDICAL REIMBURSEMENT: Expenses incurred for the appointee and his family subject to a ceiling of one months salary in a year or three month's salary over a period of three years.

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LEAVE TRAVEL CONCESSION: For the appointee and his family once in a year incurred in accordance with the rules specified by the Company.

CLUB FEES: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

PERSONAL ACCIDENT INSURANCE: Personal Accident Insurance for an amount, annual premium of which shall not exceed Rs 2000/-

EXPLANATION: For the purpose of Category A family means spouse, the dependent childrens and dependent parents of the appointee.

CATEGORY-B

Contribution to the provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, Gratuity payable shall not exceed half a months salary for each completed year of service.

Earned leave with full pay and allowance as per the rules of the Company but not exceeding one months leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY-C

The Company shall provide car and/or reimbursement of running and maintenance of Car owned by the Directors, telephone facility at the residence of the appointee. Provision of car for use on Company's business and telephone facility at the residence will not be considered as perquisites.

Personal Long distance calls shall be billed by the Company to the appointee.

Except Mr. Nirankar Nath Mittal, Mr. Nirvikar Nath Mittal, Mrs Neena Mittal, Mr. Shri Kant Mittal and Mr. Saurabh Kant Mittal none of the other Directors is interested in the proposed resolution.

ITEM NO 8:

Mr. Nirvikar Nath Mittal is a law graduate possessing 20 years of rich experience in business. In order to effect the transfer of management and control, the Board of Directors in its meeting convened on 16.10.2003 has proposed the appointment of Mr. Nirvikar Nath Mittal as Whole Time Director of the Company w.e.f. 07.09.2003 for a period of five years to be effective from 07.09.2003 to 06.09.2008 on the terms and conditions as set out below, subject to approval of the members in the forthcoming Annual General Meeting of the Company.

TERM OF OFFICE: 5 YEARS from 07.09.2003 to 06.09.2008.

SALARY: Rs 71000/- (Rupees Seventy One Thousand) per month with such increments as may be approved by the Board of Directors from time to time.

PERQUISITES: Perquisites to be allowed in addition to salary shall be restricted to an amount equivalent to Annual Salary. Perquisites are classified into three categories i.e. A, B & C as under:

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EXPLANATION: For the purpose of Category A family means spouse, the dependent childrens and dependent parents of the appointee.

CATEGORY-A**HOUSING:**

- a) In case of unfurnished accomodation hired by the Company, the expenditure incurred by the Company on hiring of such accomodation shall not exceed 60% of salary, over and above 10% payable by the appointee.
- b) In case the accomodation is owned by the Company then 10% of salary of the appointee shall be deducted by the Company.
- c) In case no accomodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to ceiling laid down in (a) above.

EXPLANATION: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1961 subject to ceiling of 10% of the salary of the appointee.

MEDICAL REIMBURSEMENT: Expenses incurred for the appointee and his family subject to a ceiling of one months salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL CONCESSION: For the appointee and his family once in a year incurred in accordance with the rules specified by the Company.

CLUB FEES: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

PERSONAL ACCIDENT INSURANCE: Personal Accident Insurance for an amount, annual premium of which shall not exceed Rs 2000/-

CATEGORY-B

Contribution to the provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, Gratuity payable shall not exceed half a months salary for each completed year of service.

Earned leave with full pay and allowance as per the rules of the Company but not exceeding one months leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY-C

The Company shall provide car and/or reimbursement of running and maintenance of Car owned by the Directors, telephone facility at the residence of the appointee . Provision of car for use on Company's business and telephone facility at the residence will not be considered as perquisites.

Personal Long distance calls shall be billed by the Company to the appointee.

Except Mr. Nirvikar Nath Mittal, Mr. Nirankar Nath Mittal, Mrs Neena Mittal, Mr. Saurabh Kant Mittal and Mr. Shri Kant Mittal none of the other Directors is interested in the proposed resolution.

HOWARD HOTELS LTD.**ITEM NO 9:**

Mr. Shri Kant Mittal was appointed as an additional Director w.e.f. 04.01.2003. He is M.Com, M.B.A and possesses rich business experience of 5 years. The Board of Directors in its meeting convened on 16.10.2003 has proposed the reappointment of Mr. Shri Kant Mittal as Whole Time Director of the Company w.e.f. 16.10.2003 for a period of five years to be effective from 16.10.2003 to 15.10.2008 on the terms and conditions as set out below, subject to approval of the members in the forthcoming Annual General Meeting of the Company. Your Directors are of the opinion that the Company will be immensely benefitted from his rich business experience.

TERM OF OFFICE: 5 YEARS from 16.10.2003 to 15.10.2008.

SALARY: Rs 54000/- (Rupees Fifty Four Thousand) per month with such increments as may be approved by the Board of Directors from time to time.

PERQUISITES: Perquisites to be allowed in addition to salary shall be restricted to an amount equivalent to annual salary. Perquisites are classified into three categories i.e. A, B & C as under:

CATEGORY-A**HOUSING:**

- a) In case of unfurnished accomodation hired by the Company, the expenditure incurred by the Company on hiring of such accomodation shall not exceed 60% of salary, over and above 10% payable by the appointee.
- b) In case the accomodation is owned by the Company then 10% of salary of the appointee shall be deducted by the Company.
- c) In case no accomodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to ceiling laid down in (a) above.

EXPLANATION: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1961 subject to ceiling of 10% of the salary of the appointee.

MEDICAL REIMBURSEMENT: Expenses incurred for the appointee and his family subject to a ceiling of one months salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL CONCESSION: For the appointee and his family once in a year incurred in accordance with the rules specified by the Company.

CLUB FEES: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

PERSONAL ACCIDENT INSURANCE: Personal Accident Insurance for an amount, annual premium of which shall not exceed Rs 2000/-

EXPLANATION: For the purpose of Category A family means spouse, the dependent childrens and dependent parents of the appointee.

HOWARD HOTELS LTD.**CATEGORY-B**

Contribution to the provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, Gratuity payable shall not exceed half a months salary for each completed year of service.

Earned leave with full pay and allowance as per the rules of the Company but not exceeding one months leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY-C

The Company shall provide car and/or reimbursement of running and maintenance of Car owned by the Directors, telephone facility at the residence of the appointee. Provision of car for use on Company's business and telephone facility at the residence will not be considered as perquisites.

Personal Long distance calls shall be billed by the Company to the appointee.

Except Mr. Shri Kant Mittal, Mr. Nirankar Nath Mittal, Mr. Nirvikar Nath Mittal, Mrs Neena Mittal and Mr. Saurabh Kant Mittal none of the other Directors is interested in the proposed resolution.

ITEM NO.10:

Mr. S.R. Narula and Mr. Sandeep Narula promoted the Company in the year 1989.

Mr. S.R. Narula has expressed his desire to step down as the Managing Director of the Company due to failing health and also transfer his shareholding alongwith Mr. Sandeep Narula to Mr. Nirankar Nath Mittal and Mr. Nirvikar Nath Mittal and their nominees.

The Company has been incurring losses in the past because of several factors, both avoidable and unavoidable. Since Mr. S.R. Narula has not been able to devote complete attention to the Company, this factor is also contributing to the bad financial health of the Company.

Mr. Nirankar Nath Mittal and his team is young dynamic and energetic, besides being based at Agra. It is hoped that the new management under the able leadership of Mr. Nirankar Nath Mittal will be able to inject fresh funds and provide dynamism and growth to the Company, besides providing value for shareholders.

Mr. S.R. Narula, Mr. Sandeep Narula, Mr. Nirankar Nath Mittal and Mr. Nirvikar Nath Mittal can be said to be interested in the resolution.

SEBI (Substantial Acquisition of Shares & Takeovers Regulations, 1997) provide that a special resolution be passed by shareholders to effect transfer of equity shares and voting rights.

NOTES;

1. The register of the Members and Share Transfer Books of the company shall remain closed on Saturday, 29th day of November 2003 (for one day only)

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2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on a pool instead of himself and the proxy need not be a member of the company. The instrument appointing Proxy must reach the Registered office of the company ,20,Maurya Complex,B-28, Subhash Chowk, Laxmi Nagar,New Delhi-110092, NOT LESS THAN 48 HOURS before the time fixed for holding the meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting .
4. Members/Proxies are requested to bring the admission slips alongwith 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 New Delhi at least Six Days before the date of Annual General Meeting to enable the management to collect and keep the information ready.
6. Members are requested to notify change in their address immediately to the company's Registered office quoting their correct Folio numbers.
7. Members who have multiple accounts / folio in identical names or joint accounts in the same order are requested to send all the share certificate (s) to the company 's Registered Office at the aforesaid address ,for consolidation on all such holding into one folio/account to facilitate better service.

Place: New Delhi

Dated: 16.10.2003

Registered Office

20, Maurya Complex

B-28, Subhash Chowk

Laxmi Nagar, New Delhi-92

By Order of the Board

(K.N.MEHRA)

COMPANY SECRETARY