



18th

ANNUAL REPORT  
FOR THE YEAR  
2006-2007

Report Junction.com

HOWARD HOTELS LIMITED

**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****HARIOM MAHESHWARI****DIRECTOR****RAKESH AGARWAL****DIRECTOR (From 30/04/07)****BENGALI MAL AGARWAL****DIRECTOR (Upto 28/09/06)****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  
HDFC BANK LTD.****REGISTRAR & SHARE  
TRANSFER AGENT****INTIME SPECTRUM REGISTRY LIMITED  
A-40, 2<sup>ND</sup> FLOOR, NARAINA,  
INDUSTRIAL AREA, PHASE-II,  
NEAR BATRA BANQUET HALL,  
NEW DELHI-110028****HOTEL SITE****HOWARD PARK PLAZA  
FATEHABAD ROAD, AGRA (U.P.)****REGISTERED OFFICE****20, MAURYA COMPLEX  
B-28, SUBHASH CHOWK  
LAXMI NAGAR  
NEW DELHI-110092  
E-Mail : cs@howardhotelslimited.com**

## Howard Hotels Limited

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

### NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of Howard Hotels Limited will be held on Friday, 21<sup>st</sup> September, 2007 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 31<sup>st</sup> March 2007 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. Ravi Kant Bansal, who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint a Director in place of Mr. Tarun Mittal, who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint M/s Ranu Rachna Jain & Co., Chartered Accountants as the 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

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

“Resolved that Shri Rakesh Agarwal who was appointed as an additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> April '2007 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 No. 5 is annexed hereto.
2. The register of the members and share transfer books of the Company shall remain closed from 15<sup>th</sup> September, 2007 to 21<sup>st</sup> September, 2007 (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: 14/08/2007

By order of the Board

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

Sd/-  
(Vishal Sharma)  
Company Secretary

**Howard Hotels Limited**

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

**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 30<sup>th</sup> April 2007 had appointed Mr. Rakesh Agarwal as an 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 Mr. Rakesh Agarwal as a Director of the Company. Yours directors recommend the resolution for approval of the members.

None of the Directors of your Company is concerned or interested in this resolution.

Place: New Delhi  
Dated: 14/08/2007

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

By order of the Board

Sd/-  
(Vishal Sharma)  
Company Secretary

## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of the company together with audited statement of accounts for the financial year ended 31<sup>st</sup> March 2007 along with the report of the Statutory Auditors thereon.

### FINANCIAL RESULTS

PARTICULARS	CURRENT YEAR (2005-2006)	PREVIOUS YEAR (2004-2005)
1. Total Income	587.20	474.24
2. Gross Profit/(Loss) Before interest and depreciation	138.12	92.06
Interest	63.14	43.36
4. Profit/(Loss) after int but before depreciation	74.98	48.70
5. Depreciation	50.25	48.20
6. Net Profit/(Loss)	24.73	50

### COMPANY'S PERFORMANCE

The overall performance of the company showed considerable improvement as compared to the previous year with revenues growing by 23.82 %.

The total revenue of the company for the year ended 31<sup>st</sup> March 2007 was Rs. 587.24 (previous year Rs. 474.24). The hotel industry has seen a strong revival in the recent years. The travel and tourism industry is witnessing an unprecedented boom as a result of introduction of various initiatives to boost tourism. It is believed that the industry will record strong growth over the next several years resulting from increasing international tourist arrivals, increasing spend per international tourist and increasing demand for premium hotels on account of high economic growth and growing consumption and lifestyle expenditure.

### FUTURE PROSPECTUS

Our Company has successfully completed renovation process to make the hotel globally competitive. The team of experts of Sarovar Park Plaza has been involved in the promotional activities and in the upgradation 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 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, 2007 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 Ravi Kant Bansal and Shri Tarun Mittal, directors, retire by rotation and are eligible for reappointment. Shri Rakesh Agarwal, the additional director is also eligible for re-appointment as full-fledged Director. Your Board recommends his appointment as the Director 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 due to the sorrow death of the Statutory Auditor Late Shri Vijay K. Jain, the firm has expressed its unwillingness to further act as the Auditors of the Company. 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 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

Total foreign Exchange earned and encashed	: This year	19416383.41
Total foreign Exchange earned and encashed	: Last year	15873612.20
Net foreign Exchange outgo	: This year	67500
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 employees of the Company.

Place: New Delhi  
Dated: 14/08/2007

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

Sd/-  
(Nirankar Nath Mittal)  
Chairman Cum Managing Director



## 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 internal 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 (One Chairman cum Managing Director, Two Whole Time Directors, 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 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. Nirankar Nath Mittal (CMD)		8	Yes	01	---	Note	---	N.A.
2.	Mr. Nirvikar Nath Mittal (WTD)		8	No	01	---	Rs. 71000 p.m.	---	N.A.
3.	Mr. Shri Kant Mittal (WTD)		8	Yes	No	---	Rs 54000 p.m.	---	N.A.
4.	Mr. U.B.S Sikarwar (DIR)		7	No	No	1	---	---	No
5	Mr. Pawan Kumar (DIR)		6	Yes	No	---	---	---	No
6.	Mr. Prakash Chand Goyal (DIR)		5	Yes	No	---	---	---	No
7.	Mr. Ravi Kant Bansal (DIR)		8	Yes	No	2	---	---	Yes
8.	Mr. Tarun Mittal (DIR)		8	No	No	---	---	---	Yes
9.	Mr. Satyendra Nath (DIR)		5	No	No	---	---	---	No
10.	Mr. Hariom Maheshwari (DIR)		6	No	No	---	---	---	No
11.	Mr. Rakesh Agarwal (DIR)		N.A.	N.A.	No	---	---	---	Yes
	(From 30/04/07)								
12.	Mr. Bengali Mal Agarwal (DIR)		4	No	No	---	---	---	N.A.
	(Upto 28/9/06)								

**Note:**

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

**2) (b) NUMBER OF BOARD MEETINGS**

During the year ended, Eight Board meetings were held on 05-04-2006, 24-04-2006, 14-06-2006, 08-07-2006, 25-07-2006, 18-08-2006, 13-10-2006, 18-01-2007.

**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 2006/07- 10<sup>th</sup> June 2006, 22<sup>nd</sup> August 2006, 28<sup>th</sup> October 2006, 15<sup>th</sup> January 2007, 21<sup>st</sup> March 2007. During these meeting, the Committee reviewed the changes in the accounting policies and practices before submission to the Board, 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. Suresh Bhatt, Finance Controller were in attendance at the meeting held on 10/06/2006. Mr. Vishal Sharma, Company Secretary and Mr. Suresh Bhatt, Finance Controller were in attendance at the meeting held on 22/08/06. Mr. Vishal Sharma, Company Secretary was in attendance at the meeting held on 28/10/2006. Mr. Vishal Sharma, Company Secretary was in attendance in the meeting held on 15/01/2007. Mr. J.K. Sharma, Finance Controller was in attendance at the meeting held on 21/03/2007.

**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