

HOWARD HOTELS LIMITED

CIN: L74899DL1989PLC038622

ANNUAL REPORT 2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

NIRANKAR NATH MITTAL, Chairman & Managing Director
 NIRVIKAR NATH MITTAL, Whole Time Director
 SHRI KANT MITTAL, Whole Time Director
 BRIJLATA MITTAL, Additional Director
 RAKESH KUMAR AGARWAL, Independent Director
 RAVI KANT BANSAL, Independent Director
 ALKA AGARWAL, Independent Director

BANKERS

HDFC BANK LIMITED
 IDBI BANK LIMITED

STATUTORY AUDITORS

P. C. BINDAL & CO.
 Chartered Accountants
 718 /21, Joshi Road, Karol Bagh,
 New Delhi-110 005

SECRETARIAL AUDITORS

SATYENDRA SHARMA & ASSOCIATES
 IIInd Gali, Pt. Jangjeet Nagar, Rajpur,
 Agra-282001

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

Stock Exchange Where Company's Securities Are Listed

BOMBAY STOCK EXCHANGE LIMITED

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
Website: www.howardhotelsltd.com
Email-Id: cs@howardhotelsltd.com
 Tel : (0562) 4048600
 Facsimile : (0562) 4048666

ANNUAL GENERAL MEETING

DATE : 7th, September, 2018
 TIME : 10: 00 A.M.
 DAY : Friday
 VENUE : Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi –74

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HOWARD HOTELS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th (Twenty Ninth) Annual General Meeting of **HOWARD HOTELS LIMITED** will be held on Friday, September 7, 2018 at the Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahoorpur, P.O. Fatehpurberi, New Delhi –74 at 10:00 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018, together with the Reports of the Board of Directors' and Auditors' thereon;
2. To appoint a Director in place of Mr. Shri Kant Mittal (DIN-01533368), who retires by rotation and, being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. BGG & Associates, Chartered Accountants (ICAI Firm Registration No. 016874N), be and are hereby appointed as the Statutory Auditors of the Company, (in place of M/s. P. C. Bindal & Co., the retiring Auditors) for a term of five years commencing from the financial year 2018-19, to hold office from the conclusion of the 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting, to be held in 2023, on such remuneration plus service taxes, out-of-pocket expenses, etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

Special Business

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

"RESOLVED THAT pursuant to Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") read with Rule 30 of the Companies (Incorporation) Rules, 2014 and relevant provisions of the Company, and subject to) and subject to the confirmation/approval of the regional director and other regulatory authorities, shifting of the registered office of the Company from the Union Territory of Delhi (National Capital Territory of Delhi) to the State of Uttar Pradesh, be and is hereby approved and Clause II of the Memorandum of Association of the Company be and is hereby altered by substituting it with the following clause:

Clause II: The Registered office of the Company will be situated in the State of Uttar Pradesh.

RESOLVED FURTHER THAT Mr. Nirankar Nath Mittal, Chairman & Managing Director, Mr. Nirvikar Nath Mittal, Whole time director, and Company Secretary of the company be and are hereby severally authorized to appear and represent the Company in the matter of the petition before the office of Regional Director for seeking confirmation for the proposed alteration of the situtation clause of the Memorandum of Association and also authorized to appoint any Consultant, Practicing Company Secretary, Advocates/ Attorney and other professionals, as may be required from time to time to fix their remuneration and to give effect to the aforesaid resolution including filling necessary forms/returns with Ministry of Corporate Affairs, finalizing and executing necessary documents, etc."

Notes:

1. **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.
2. 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.
3. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
5. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
6. The register of the members and share transfer books of the Company will remain closed from **Saturday, September 1, 2018 to Friday, September 7, 2017 (both days inclusive)** for the purpose of AGM.
7. 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.
8. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

9. 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.
10. 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.
11. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. www.howardhotelsltd.com
12. To support the 'Green Initiative', members who have not registered their e-mail addresses are hereby requested to register the same with Depository Participant. Members are requested to provide their e-mail address through e-mail alongwith DP ID/Client ID at cs@howardhotelsltd.com and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
13. The Prominent Landmark for the Venue of AGM is QutubMinar, Delhi and the route Map from the landmark to the Venue is annexed herewith.
14. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
15. Mr. Mukul Tyagi, Partner of M/s Pooja Anand & Associates, Practicing Company Secretaries, Delhi, has been appointed as Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) at the meeting in a fair and transparent manner.
16. The facility for voting shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
17. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned on printed address label as stucked over the Annual report to indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii). |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

HOWARD HOTELS LIMITED

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <HOWARD HOTELS LTD> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details by custodian a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.

OTHER INSTRUCTIONS:

- (a) The Remote e-voting period begins on Tuesday, September 4, 2018 at 09:00 A.M. and ends on Thursday, September 6, 2018 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 31, 2018, may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently or cast vote again.
- (b) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Friday August 31, 2018. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system.
- (c) In case of any queries regarding Remote e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- (d) If you are already registered with CDSL for Remote e-voting then you can use your existing user ID and password for casting your vote.
- (e) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- (f) The results of the Remotee-voting along with the scrutinizer's report shall be placed in the Company's website www.howardhotelsltd.com and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

18. MEMBERS ARE REQUESTED TO:

- (a) Note that SEBI has mandated registration of Permanent Account Number (PAN) and bank accounts details such as bank account number, name of the bank and branch details, MICR code, IFSC code etc. of all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank account details to RTA /Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. Members holding shares in demat form are requested to submit the aforesaid information to their respective depository participant(DP).

- (b) Immediately notify any change if any, of address, e-mail address, change of name, contact numbers, bank details, bank mandates, nominations, power of attorney etc. and their PAN to their DP with whom they maintain their demat account and to the RTA in respect of their holding in physical form. Non-resident Indian members are requested to immediately inform the RTA /respective DP, immediately of change in their residential status on return to India for permanent settlement and the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (c) Fill the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM.
- (d) Note that SEBI vide its circular has decided that securities of listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

19. Details of additional Directors/Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the Company:

| | |
|---|---|
| Name of Director | Shri Kant Mittal |
| Working experience/Brief Resume | The appointee has vast experience and good knowledge in Hotel & Tourism industry. He is providing leadership and strategic guidance to the Company. |
| Date of Birth | 26/03/1976 |
| Date of appointment/ re-appointment | 16/10/2013 |
| Qualifications | M.Com, M.B.A. |
| Expertise in specific functional areas | HOTEL & TOURISM ADMINISTRATION |
| List of other Indian Public Limited Companies in which Directorship held as on 31.03.2018 | NIL |
| Shareholdings in the company as on 31.03.2018 | 2,11,166(2.32%) |
| Inter-se relationship | YES |

Place : Agra
Date : 30.07.2018

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/-
Ekta Jain
(Company Secretary)
Mem. No. A45987

Route Map:



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS GIVEN BELOW.

ITEM NO. 3

This Explanatory statement is provided though strictly not required as per 102 of the Companies Act, 2013.

M/s. P. C. Bindal & Co., Chartered Accountants (Firm Registration No. 003824N), were appointed as auditors at 25th AGM held on September 4, 2014, for three years. In 28th AGM auditor were re-appointed for one year i.e for FY 2017-2018. Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder M/s. P. C. Bindal & Co., the present Auditors of the Company complete their term as Auditors, they are holding office of the auditors up to the conclusion of the 29th AGM and hence, would retire at the conclusion of the forthcoming 29th AGM. As per Section 139(2) of the Companies Act, 2013 ('the Act'), no listed company shall appoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. M/s. P. C. Bindal & Co., have completed period of ten years at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. P. C. Bindal & Co., during their association with the Company as its auditors. For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended M/s. BGG & Associates, Chartered Accountants (Firm Registration No. 016874N), New Delhi as the Company's new Statutory Auditor.

M/s. BGG & Associates (FRN-016874N), Chartered Accountants (the Firm) is an independent Partnership firm its head office at 805, New Delhi House, 27, Barakhamba Road, New Delhi-110001.

M/s. BGG & Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, M/s. BGG & Associates, Chartered Accountants (Firm Registration No. 016874N) are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 34th AGM, to the Members for their approval, as may be applicable.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the Members.

ITEM NO. 4

Presently, the Registered Office of the Company is situated in Union Territory of Delhi (National Capital Territory of Delhi), whereas almost all the operational and management activities of the Company are being carried out from its corporate office situated at Agra in the State of Uttar Pradesh. Keeping in view the administrative convenience, cost effectiveness, growth potential and the opportunities existing, it is proposed to shift the registered office of the Company to State of Uttar Pradesh.

Accordingly, your Board of Directors of the Company in their meeting held on Monday 30th July, 2018 had approved and proposed the shifting of the registered office of the Company from Union Territory of Delhi (National Capital Territory of Delhi) to State of Uttar Pradesh.

The proposed change will in no way be detrimental to the interest of any member of Public, Employees or other Associates of the Company in any manner whatsoever.

None of the Director(s) and Key managerial Personnel of the Company or their relatives is interested/ deemed to be interested or concerned in the proposed resolution.

The Board of Directors of your Company recommends the special resolution for the approval of the Members.

By order of the Board
HOWARD HOTELS LIMITED

Sd/-
Ekta Jain

(Company Secretary)
Mem. No. A45987

Place : Agra
Date : 30.07.2018

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Director's have pleasure in presenting the Twenty Ninth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

The Performance of the Company for the financial year ended 31st March 2018 is summarized below:

(Rs. in Lakhs)

| PARTICULARS | | CURRENT YEAR (2017-18) | PREVIOUS YEAR (2016-17) |
|-------------|--|---|--|
| 1. | Total Income Less: i) Operating, Administrative & other Exp. | 952.12 895.49 | 891.62 818.36 |
| 2. | Earning before interest and depreciation Less: i) Interest ii) Depreciation | 56.63 17.43 70.34 | 73.26 7.80 70.06 |
| 3. | Profit before Tax Less: provision for Tax i) Current ii) Deferred iii) Earlier year Tax iv) MAT Credit | (31.14) - (27.15) 2.04 - | (4.60) - (1.09) - |
| 4. | Profit after Tax Add: Balance of Profit as per last Balance Sheet Less: Adjustment of depreciation on account of change in estimated life of fixed assets. Less: Other Comprehensive income for the year, net of tax | (6.03) 307.23 - (19.15) | (3.51) 310.23 - 0.51 |
| 5. | Balance available for appropriation | 282.05 | 307.23 |

COMPANY'S PERFORMANCE

During the year under review, the Company has total revenues of 952.12 Lakhs as compared to 891.62 Lakhs during the previous year. The net loss for the year under review has been 25.18 Lakhs against loss of 3Lakhs during the previous year. Your directors are continuously looking for avenues for future growth of the Company in Hotel Industry.

FIRST-TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (IND AS) as notified by the Ministry of Corporate Affairs with effect from 1 April, 2017, with a transition date of 1 April, 2016. These financial statements for the year ended 31 March 2018 are the first financial statements the Company has prepared under IND AS. For all periods up to and including the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

DIVIDEND

Due to loss during the period under review, no dividend has been recommended for the period under review.

RESERVES

The appropriations for the year are:

(Rs. in Lakhs)

| PARTICULARS | | CURRENT YEAR (2017-18) | PREVIOUS YEAR (2016-17) |
|---|--|---------------------------|----------------------------|
| Securities Premium A/c as per last Balance Sheet | | 40.50 | 40.50 |
| Addition during the year | | - | - |
| (a) | | 40.50 | 40.50 |
| Balance in P&L A/c as per last Balance Sheet | | 307.23 | 310.23 |
| Addition during the year | | (6.03) | (3.51) |
| Adjustment of depreciation on account of change in estimated life of fixed assets | | - | - |
| Remeasurement of post employment benefit obligations, net of tax | | (19.15) | 0.51 |
| (b) | | 282.05 | 307.23 |
| Total Reserve & Surplus (a+b) | | 322.55 | 347.73 |

HOWARD HOTELS LIMITED

| PAID UP CAPITAL | | (Rs. in Lakhs) | |
|---|--|------------------------|------------------------|
| PARTICULARS | | As at March 31,2018 | As at March 31,2017 |
| SHARE CAPITAL | | | |
| Authorised Shares | | | |
| 1,00,00,000 Equity Shares of Rs. 10 each | | 1,000.00 | 1,000.00 |
| Issued, Subscribed & fully paid up shares | | | |
| 91,13,200 Equity Shares of Rs. 10 each fully paid up | | 911.32 | 911.32 |

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act,2013, in the prescribed form AOC-2, is appended as **Annexure- III** to the Board's Report.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the <http://www.howardhotelsltd.com/reports/1434531522PolicyonMaterialityofRelatedPartyTransactionsandDealing.pdf>

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Loans, guarantees and investments covered under Section 186 of the Companies Act,2013 form part of the notes to the financial statements provided in this Annual Report.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposit) Rules, 2014, during the year under review.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return inform MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure - I** and forms an integral part of this Report.

MEETINGS OF THE BOARD

During the financial year ended March 31, 2018, 05 (Five) meetings of the Board were held, as follows:

| S. No. | Dates of Board Meeting | Board Strength | No. of directors present |
|--------|------------------------|----------------|--------------------------|
| 01. | May 29, 2017 | 6 | 5 |
| 02. | July 28, 2017 | 6 | 5 |
| 03. | September 12, 2017 | 6 | 4 |
| 04. | December 13, 2017 | 6 | 4 |
| 05. | February 7, 2018 | 6 | 4 |

*The maximum time gap between two meetings was not more than 120days.

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. The same can be assessed at <http://www.howardhotelsltd.com/reports/1434531313CodeofConduct.pdf>

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31,2018, The Board consist of 6 members, three of whom are executive/ whole-time directors and three are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on director's appointment and other matters provided under sub section 3 of section 178 of the Companies Act,2013 can be assessed at <http://www.howardhotelsltd.com/reports/1434531471PolicyforSelectionofDirectorsandDeterminingIndependence.pdf>

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulations”).

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the targets/ criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Company has devised a policy for performance evaluation of Independent Directors, Board Committees and other Individual directors which includes criteria for evaluation of the non-executive directors which can be accessed at <http://www.howardhotelsltd.com/reports/1434531471PolicyforSelectionofDirectorsandDeterminingIndependence.pdf> and <http://www.howardhotelsltd.com/reports/1435316045Nomination&RemunerationPolicy.pdf>

DIRECTORS AND KEY MANAGERIAL PERSON

Pursuant to the provisions of section 149 of the Act, Mr. Rakesh Kumar Agarwal, Mr. Ravi Kant Bansal and Mrs. Alka Agarwal are Non-Executive Independent directors of the Company. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances which may affect their status as independent director during the year.

Mr. Shri Kant Mittal retires by rotation and being eligible has offered him for re-appointment in the ensuing AGM.

Mrs. Brijlata Mittal has been appointed as an Additional Director of the Company w.e.f. 19th July, 2018 to the office until 29th Annual General Meeting to be held on 7th September, 2018. Mrs. Brijlata Mittal showed her unwillingness to be regularized as an ordinary director, hence the Board did not recommend her regularization as an ordinary director of the Company. Accordingly, Mrs. Brijlata Mittal shall hold the office till the ensuing Annual General Meeting and cease to be a director w.e.f. conclusion of 29th AGM to be held on 7th September, 2018.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are –Mr. Nirankar Nath Mittal, Chairman & Managing Director, Mr. Nirvikar Nath Mittal, Whole time Director, Mr. Shri Kant Mittal, Whole time Director, Ms. Gazal Mittal, Company Secretary.

After the closure of financial year Ms. Gazal Mittal resigned from the post of Company Secretary w.e.f. 7th April, 2018, and in her place Ms. Ekta Jain has been appointed as a Company Secretary of the Company w.e.f. 4th May, 2018.

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 as on 31st March, 2018:

| Name of Director | Category | *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 | Executive | NIL | - | - | NIL | NIL |
| Nirvikar Nath Mittal | Executive | NIL | - | - | NIL | NIL |
| Shri Kant Mittal | Executive | NIL | - | - | NIL | NIL |
| Rakesh Kumar Agarwal | Independent, Non-Executive | NIL | 2 | 1 | NIL | NIL |
| Alka Agarwal | Independent, Non-Executive | NIL | - | 3 | NIL | NIL |
| Ravi Kant Bansal | Independent, Non-Executive | NIL | 1 | 2 | NIL | NIL |

*** The directorship held by directors do not include alternate directorship and directorship of foreign Companies, section 8 Companies& private limited Companies.

HOWARD HOTELS LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, we hereby state:

- i). that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation 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, 2018 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, 2013 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.
- v). that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi). that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON SEXUAL HARASSMENT OF EMPLOYEES

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of employees at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. No complaints have been received on Sexual Harassment of employees in FY 2017-18. The policy can be assessed at <http://www.howardhotelsltd.com/reports/1434531591SexualHarrassmentPolicy.pdf>

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s. P. C. Bindal & Co., Chartered Accountants (Firm Registration No. 003824N), were appointed as auditors at 25th AGM held on September 4, 2014, for three years. In 28th AGM auditor were re-appointed for one year i.e for FY 2017-2018. Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder M/s. P. C. Bindal & Co., the present Auditors of the Company complete their term as Auditors, they are holding office of the auditors up to the conclusion of the 29th AGM and hence, would retire at the conclusion of the forthcoming 29th AGM. As per Section 139(2) of the Companies Act, 2013 ('the Act'), no listed company shall appoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. M/s. P. C. Bindal & Co., have completed period of ten years at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. P. C. Bindal & Co., during their association with the Company as its auditors. For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended M/s. BGG & Associates, Chartered Accountants (Firm Registration No. 016874N), New Delhi as the Company's new Statutory Auditor.

M/s. BGG & Associates (FRN-016874N), Chartered Accountants (the Firm) is an independent Partnership firm its head office at 805, New Delhi House, 27, Barakhamba Road, New Delhi-110001.

M/s. BGG & Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, M/s. BGG & Associates, Chartered Accountants (Firm Registration No. 016874N) are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 34th AGM, to the Members for their approval, as may be applicable.

There is no Auditors' qualification for the year under review.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Satyendra Sharma & Associates, a firm of Company Secretaries in Practice (C.P.No.4843) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 is annexed as **Annexure - II** and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

INTERNAL AUDITOR

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to CA Chirag Jain & Co, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review

controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

REGULATORY ACTIONS

There is neither any regulatory action initiated nor pending under SEBI or Company Law during the financial year 2017-18.

CASH FLOW ANALYSIS

The Cash Flow Statement for the year 2017-18 is annexed with the Annual Accounts of the Company.

EXPLANATIONS / COMMENTS BY BOARD OF DIRECTORS ON ADVERSE REMARK MADE BY AUDITOR

There are no qualifications, reservations or adverse remarks or disclaimers made by P.C. Bindal & Co., Chartered Accountants, Statutory Auditors, in their Audit report and by Mr. Satyendra Sharma, Company Secretary in Practice, in his Secretarial Audit Report.

DISCLOSURES:**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. Nomination & Remuneration Committee**
- C. Stakeholder's Relationship Committee.**

A. AUDIT COMMITTEE

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI(LODR)Regulations, 2015. Mr. Rakesh Kumar Agarwal, Non –Executive Independent Director is the Chairperson of the Audit Committee. The other members of the Audit Committee include Mr. Ravi Kant Bansal and Mrs. Alka Agarwal. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended March 31, 2018, 4 (Four) meetings of the Audit Committee were held, as follows:

| S. No. | Date | Committee Strength | No. of Members present |
|---------------|--------------------|---------------------------|-------------------------------|
| 01. | May 29, 2017 | 3 | 2 |
| 02. | September 12, 2017 | 3 | 2 |
| 03. | December 13, 2017 | 3 | 2 |
| 04. | February 07, 2018 | 3 | 2 |

B. NOMINATION & REMUNERATION COMMITTEE

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of the SEBI(LODR)Regulations, 2015. Mr. Rakesh Kumar Agarwal, Non –Executive Independent Director is the Chairperson of the Nomination & Remuneration Committee. The other members of the Nomination & Remuneration Committee include Mr. Ravi Kant Bansal and Mrs. Alka Agarwal.

During the financial year ended March 31, 2018, 1 (One) meeting of the Nomination & Remuneration Committee was held as follows:

| S. No. | Date | Committee Strength | No. of Members present |
|---------------|------------------|---------------------------|-------------------------------|
| 01. | January 12, 2018 | 3 | 2 |

Moreover, the Company's Nomination & remuneration policy for Directors, Key managerial personnel and other employees is posted on the website of the Company and can be accessed at <http://www.howardhotelsltd.com/reports/1435316045Nomination&RemunerationPolicy.pdf>

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Companies Act, 2013 and the provisions of Regulation 20 of the SEBI(LODR)Regulations, 2015. Mr. Ravi Kant Bansal, Non –Executive Independent Director is the Chairperson of the Stakeholders' Relationship Committee. The other members of the Stakeholders' Relationship Committee include Mr. Rakesh Kumar Agarwal and Mrs. Alka Agarwal.

HOWARD HOTELS LIMITED

During the financial year ended March 31, 2018, 2 (Two) meetings of the Stakeholders' Relationship Committee were held as follows:

| S. No. | Date | Committee Strength | No. of Members present |
|--------|-----------------|--------------------|------------------------|
| 01. | August 18, 2017 | 3 | 2 |
| 02. | March 21, 2018 | 3 | 2 |

- There were no pending share transfers/ investors' complaints as on March 31, 2018.

ATTENDANCE OF DIRECTORS

The detail of Director's attendance in the Board Meeting and their Committees during the F.Y. ended as on March 31, 2018 and in the last AGM of the Company is as follows:

| S.NO. | Name of Director | No. of Board Meeting attended out of 05 held during the year | No. of audit Committee meetings attended | No. of Nomination & Remuneration Committee meetings attended | No. of Stakeholders Relationship Committee meetings attended | Attendance at the last AGM |
|-------|----------------------|--|--|--|--|----------------------------|
| 01. | Nirankar Nath Mittal | 5 | - | - | - | YES |
| 02. | Nirvikar Nath Mittal | 5 | - | - | - | NO |
| 03. | Shri Kant Mittal | 5 | - | - | - | NO |
| 04. | Rakesh Kumar Agarwal | 5 | 4 | 1 | 2 | YES |
| 05. | Ravi Kant Bansal | 1 | 2 | 0 | 1 | NO |
| 06. | Alka Agarwal | 1 | 2 | 1 | 1 | NO |

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director. One meeting of Independent Directors was held during the year i.e. on 5th March, 2018.

WHISTLE BLOWER POLICY & VIGIL MECHANISM COMMITTEE

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. During the year under review, no employee was denied access to the Audit Committee. The said policy has been also put up on the website of the Company and can be accessed at <http://www.howardhotelsltd.com/reports/1432376932VIGILMECHANISMREPORT.pdf>

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith marked as **Annexure IV**.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review, no employee, whether employed for the whole or part of the year, was drawing remuneration in excess of the limits set out in the said rules. Hence the details required under the said Rules are not given.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

CORPORATE GOVERNANCE

Pursuant to regulation 15(2) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 provisions of regulation 27 i.e. Corporate Governance and para C, D & E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to the Company.

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 Regulation 34 of SEBI (LODR) Regulations, 2015, is given separately under the head "Management Discussion & Analysis Report" in Annual Report as **Annexure-V**.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 134 (3) (m) of the Companies Act, 2013 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:

| | | |
|-------|---|--|
| (i) | the steps taken or impact on 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. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy; | N.A. |
| (iii) | the capital investment on energy conservation equipments; | N.A. |

B) Technology absorption:

| | | |
|-------|--|------|
| (i) | the efforts made towards technology absorption; | N.A. |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution; | N.A. |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | N.A. |
| (a) | the details of technology imported; | N.A. |
| (b) | the year of import; | N.A. |
| (c) | whether the technology been fully absorbed; | N.A. |
| (d) | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | N.A. |
| (iv) | the expenditure incurred on Research and Development. | N.A. |

C) Foreign Exchange Earnings & Outgo

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1 April 2018. The company is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not constituted the Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 as the said provision is not applicable to the Company.

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, 2018, 83.99% of the Company's paid-up capital representing 7,650,443 Equity Shares is in dematerialized form with both the depositories as compared to 83.78% representing 7,634,943 equity shares for the previous year ended March 31, 2017.

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.

DISCLOSURES REGARDING SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the Financial year 2017-18, neither Company has become nor ceased to be its subsidiaries, joint venture or associate company.

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

Sd /-

Nirankar Nath Mittal

(Chairman & Managing Director)

DIN: 01533102

Place: Agra

Date: 30.07.2018

FORM NO. MGT 9

Extract of Annual Return as on the financial year ended on March 31, 2018
 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

| | |
|--|---|
| CIN | L74899DL1989PLC038622 |
| Registration Date | 11-12-1989 |
| Name of the Company | HOWARD HOTELS LIMITED |
| Category/Sub-category of the Company | Public Company / Limited by shares |
| Address of the Registered office & contact details | 20, Maurya Complex, B-28 Subhash Chowk, Laxmi Nagar, New Delhi-110092, Delhi-110092 |
| Whether listed company | Yes |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s Link Intime India Pvt. Ltd. A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, Delhi.Tel: 011-41410592-94 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| S. No. | Name and Description of main products / services | NIC Code of the Product/service* | % to total turnover of the company# |
|--------|--|----------------------------------|-------------------------------------|
| 1 | Hotel Industry | 551 | 100% |

On the basis of Revenue From Operations

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Particulars | Country | CIN | Holding/ Subsidiary/ Associate | %holding as at March 31,2018 | Applicable Section |
|--------|-------------|---------|-----|--------------------------------|------------------------------|--------------------|
| 1 | NIL | NIL | NIL | NIL | NIL | NIL |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i). Category-wise Shareholding

| Sr. No | Category of Shareholders | Shareholding at the beginning of the year (As on 1 st April 2017) | | | | Shareholding at the end of the year (As on 31 st March, 2018) | | | | % Change during the Year |
|--------|--|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 5543500 | 0 | 5543500 | '60.8293 | 5543500 | 0 | 5543500 | '60.8293 | '0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(1) | 5543500 | 0 | 5543500 | '60.8293 | 5543500 | 0 | 5543500 | '60.8293 | '0.0000 |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (b) | Government | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Institutions | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |

| Sr. No | Category of Shareholders | Shareholding at the beginning of the year (As on 1 st April 2017) | | | | Shareholding at the end of the year (As on 31 st March, 2018) | | | | % Change during the Year |
|--------|--|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(2) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 5543500 | 0 | 5543500 | '60.8293 | 5543500 | 0 | 5543500 | '60.8293 | '0.0000 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (g) | Insurance Companies | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (B)(1) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Sub Total (B)(2) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders Holding nominal share capital upto Rs. 1 lakh. | 970636 | 1009457 | 1980093 | '21.7277 | 967712 | 995957 | 1963669 | '21.5475 | '-0.1802 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 870435 | 151900 | 1022335 | '11.2182 | 893593 | 151900 | 1045493 | '11.4723 | '0.2541 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Employee Trusts | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Foreign Nationals | 0 | 240100 | 240100 | '2.6346 | 0 | 238100 | 238100 | '2.6127 | '-0.0219 |
| | Hindu Undivided Family | 21326 | 0 | 21326 | '0.2340 | 27059 | 0 | 27059 | '0.2969 | '0.0629 |
| | Non Resident Indians (Non Repat) | 12723 | 0 | 12723 | '0.1396 | 13280 | 0 | 13280 | '0.1457 | '0.0061 |
| | Non Resident Indians (Repat) | 17599 | 0 | 17599 | '0.1931 | 19327 | 0 | 19327 | '0.2121 | '0.0190 |
| | Clearing Member | 4428 | 0 | 4428 | '0.0486 | 3056 | 0 | 3056 | '0.0335 | '-0.0151 |
| | Bodies Corporate | 194296 | 76800 | 271096 | '2.9748 | 182916 | 76800 | 259716 | '2.8499 | '-0.1249 |
| | Sub Total (B)(3) | 2091443 | 1478257 | 3569700 | '39.1707 | 2106943 | 1462757 | 3569700 | '39.1707 | '0.0000 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | 2091443 | 1478257 | 3569700 | '39.1707 | 2106943 | 1462757 | 3569700 | '39.1707 | '0.0000 |
| | Total (A)+(B) | 7634943 | 1478257 | 9113200 | '100.0000 | 7650443 | 1462757 | 9113200 | '100.0000 | '0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| | Total (A)+(B)+(C) | 7634943 | 1478257 | 9113200 | '100.0000 | 7650443 | 1462757 | 9113200 | '100.0000 | |

HOWARD HOTELS LIMITED

ii) Shareholding of Promoters (including Promoter Group)

| S. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 1st April, 2017) | | | Shareholding at the end of the year (As on 31st March, 2018) | | | % change in shareholding during the year |
|--------|----------------------|---|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | |
| 1 | Nirankar Nath Mittal | 1,847,834 | 20.28 | - | 1,847,834 | 20.28 | - | 0.00 |
| 2 | Nirvikar nath Mittal | 1,787,833 | 19.62 | - | 1,787,833 | 19.62 | - | 0.00 |
| 3 | Saurabh kant mittal | 211,166 | 2.32 | - | 211,166 | 2.32 | - | 0.00 |
| 4 | Shri Kant Mittal | 211,166 | 2.32 | - | 211,166 | 2.32 | - | 0.00 |
| 5 | Neena Mittal | 60,000 | 0.66 | - | 60,000 | 0.66 | - | 0.00 |
| 6 | Brijlata Mittal | 1,425,501 | 15.64 | - | 1,425,501 | 15.64 | - | 0.00 |
| | Total | 5,543,500 | 60.83 | - | 5,543,500 | 60.83 | - | 0.00 |

Note: 131000 equity shares of Late Smt. Sarita Mittal held with Mr. Nirankar Nath Mittal are under process of transmission.

iii) Change in Promoters' (including Promotor Group) Shareholding (please specify, if there is no change)

| Sr. No. | Name of Shareholder | Shareholding at the beginning of the year (As on 1st April, 2017) | | Increase/ Decrease in Shareholding | | | Cumulative Shareholding At the End of the year (As on 31 st March, 2018) | |
|-----------|---------------------|---|----------------------------------|------------------------------------|--------|---------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE | REASON | NO. OF SHARES | NO. OF SHARES | % OF TOTAL SHARES OF THE COMPANY |
| NO CHANGE | | | | | | | | |

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name of Shareholders | Shareholding at the beginning of the year As on 1st April, 2017 | | Cumulative Shareholding at the end of the year As on 31st March, 2018 | |
|---------|----------------------------------|---|----------------------------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | HITESH RAMJI JAVERI | 351805 | 3.8604 | 351805 | 3.8604 |
| 2 | PARMOD KUMAR JAIN | 150000 | 1.6460 | 150000 | 1.6460 |
| 3 | ANIL KUMAR SHARMA | 112950 | 1.2394 | 112950 | 1.2394 |
| 4 | HARSHA HITESH JAVERI | 100000 | 1.0973 | 100000 | 1.0973 |
| 5 | TARUN KANT | 66172 | 0.7261 | 66172 | 0.7261 |
| 6 | CENTURY MAHANIVESH LTD | 62640 | 0.6874 | 60945 | 0.6688 |
| 7 | STERLITE INVESTMENT CO, PVT. LTD | 59800 | 0.6562 | 59800 | 0.6562 |
| 8 | VED PRAKASH HUF | 48500 | 0.5322 | 48500 | 0.5322 |
| 9 | SADHNA KHARE | 42000 | 0.4609 | 42000 | 0.4609 |
| 10 | RAJESH TRIPATHY | 41500 | 0.4554 | 41500 | 0.4554 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of Director/ Key Managerial Person | Shareholding at the beginning of the year As on 1st April, 2017 | | Increase/ Decrease in Shareholding | Cumulative Shareholding at the end of the year As on 31 st March, 2018 | |
|---------|--|---|----------------------------------|------------------------------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | | NO. OF SHARES | % OF TOTAL SHARES OF THE COMPANY |
| 1. | NIRANKAR NATH MITTAL -Managing Director | 1,847,834 | 20.28 | NO CHANGE | 1,847,834 | 20.28 |
| 2. | NIRVIKAR NATH MITTAL -Whole Time Director | 1,787,833 | 19.62 | NO CHANGE | 1,787,833 | 19.62 |
| 3. | SHRIKANT MITTAL - Whole Time Director | 211,166 | 2.32 | NO CHANGE | 211,166 | 2.32 |

Note: 131000 equity shares of Late Smt. SaritaMittal held with Mr. Nirankar Nath Mittal are under process of transmission.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 8.10 | 170.00 | 0 | 178.10 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 8.10 | 170.00 | 0 | 178.10 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 5.48 | 20.00 | 0 | 25.48 |
| • Reduction | 0 | 0 | 0 | 0 |
| Net Change | 5.48 | 20.00 | 0 | 25.48 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 13.58 | 190.00 | 0 | 203.58 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 13.58 | 190.00 | 0 | 203.58 |

HOWARD HOTELS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Managers:-(Rs. in Lakhs)

| S. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|--------|--|------------------------|----------------------|---------------------|--------------|
| | | Nirankar Nath Mittal | Nirvikar Nath Mittal | Shri kant Mittal | |
| | | Managing Director | Whole-Time Director | Whole-Time Director | |
| 1 | Gross Salary | | | | |
| | a). Salary as per provisions contained in section 17(1) of the Income tax Act,1961 | 24.00 | 22.80 | 18.00 | 64.80 |
| | b). Value of perquisites u/s 17(2)of the Income tax Act,1961 | 1.75 | 0.79 | 0.00 | 2.54 |
| | c). Profit in lieu of salary u/s 17(3)of the Income tax Act,1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | • as% profit | | | | |
| | • Others,Specify | | | | |
| 5 | Others,Specify | - | - | - | - |
| | Total (A) | 25.75 | 23.59 | 18.00 | 67.34 |
| | Ceiling as per the Act | | | | 84.00 |

B. Remuneration to other Directors:-

(Rs. in Lakhs)

| S. No. | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs.) |
|--------|---|----------------------|------------------|--------------|------------------------|
| | | Rakesh Kumar Agarwal | Ravi Kant Bansal | Alka Agarwal | |
| 1 | Independent Directors | | | | |
| | Fee for attending board /committee meetings | 1.26 | .35 | 0.35 | 1.96 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | 1.26 | .35 | .35 | 1.96 |
| 2 | Other Non-Executive Directors | | | | |
| | Fee for attending board /committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | 1.26 | .35 | .35 | 1.96 |
| | Total Managerial Remuneration | | | | 1.96 |
| | Overall Ceiling as per the Act | | | | 1.00 per Board Meeting |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :-

| S. No. | Particulars of Remuneration | Key Managerial Personnel | Total |
|--------|--|---|-----------------------------|
| | | MS. GAZAL MITTAL (COMPANY SECRETARY) | Amount (Rupees in Lakhs) |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2.52 | 2.52 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission <ul style="list-style-type: none"> • as % of profit • others, specify | - - - | - - - |
| 5 | Others, please specify | - | - |
| | Total | 2.52 | 2.52 |

*For the Financial Year 2017-18

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment/ compounding of offences for the year ending March 31, 2018.

For & on behalf of Board of Directors of
HOWARD HOTELS LIMITED

Sd/-

Nirankar Nath Mittal
(Chairman & Managing Director)
DIN: 01533102

Place: Agra

Date: 30.07.2018

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Howards Hotels Limited
20, Maurya Complex, B-28 Subhash Chowk,
LaxmiNagar, New Delhi.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HOWARD HOTELS LIMITED(hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and The Companies (Amendment) Act, 2017 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; not applicable to the company during the audit period.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **not applicable to the company during the audit period.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **not applicable to the company during the audit period.**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; And, not applicable to the company during the audit period.;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 not applicable to the company during the audit period.;

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 and the Listing Agreement entered into by the Company with BSE Limited ..;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

SARAI Act, 1867.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For SATYENDRA SHARMA & ASSOCIATES
COMPANY SECRETARIES

Place : Agra
Date : 04/06/2018

Sd/
(SATYENDRA SHARMA)
PROP. CP NO: 4843

HOWARD HOTELS LIMITED

Annexure-II (Continued)

To,
The Members,
Howards Hotels Limited
20, Maurya Complex, B-28 Subhash Chowk,
LaxmiNagar, New Delhi

Our Secretarial Audit Report of even date, for the financial year 2017-18 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provision of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standard and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For SATYENDRA SHARMA & ASSOCIATES
COMPANY SECRETARIES

Place : Agra
Date : 04/06/2018

Sd/-
(SATYENDRA SHARMA)
PROP. CP NO: 4843

Annexure -III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act,2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014) This form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts/arrangements not at arm's length basis

There were no contracts or arrangements entered into during the year ended March 31, 2017, which were not at arm's length basis.

| Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts / arrangements / transactions | Salient features | Justification for entering into such contracts / arrangements / transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which special resolution was passed in General meeting u/s 188(1) |
|--|---|---|------------------|--|----------------------------------|---------------------------------|---|
| NIL | | | | | | | |

Details of contracts/arrangements at arm's length basis

| Name of the related party | Nature of relationship | Duration of the contract | Salient terms | Amount (Rs. in Lakhs) |
|--|--|--------------------------|---------------|-----------------------|
| UBS Buildtech Private Limited | Company in which Director's are interested | 12/02/2016-ongoing | Loan taken | 55 |
| Rishireal Estates India Private Limited | Company in which Director's are interested | 12/02/2016-ongoing | Loan taken | 60 |
| Shree Nath Exports (India) Private Limited | Company in which Director's are interested | 12/02/2016-ongoing | Loan taken | 75 |
| Exquisite | Firm in which Director's are interested | 17/03/2009-ongoing | Rent Received | 2.67 |
| D'Craft Collection | Firm in which Director's are interested | 02/01/2008-ongoing | Rent Received | 2.67 |
| Nirankar Nath Mittal | Firm in which Director's are interested | 12/11/2010-ongoing | Lease Rent | 0.05 |

Place: Agra

Date: 30.07.2018

On behalf of the board of directors
FOR Howard Hotels Ltd.

Sd/-
Mr. Nirankar Nath Mittal
(Chairman & Managing Director)
DIN: 01533102

Particulars of Employees

(a) The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

(Rs. In lakhs)

| S. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for financial year 2017-18 (' in lakhs) | % increase in Remuneration in the Financial Year 2017-18 | Ratio of remuneration of each Director to median remuneration of employees |
|--------|--|--|--|--|
| 1. | Mr. Nirankar Nath Mittal [Chairman & Managing Director] | 25.75 | Nil | 9.50 |
| 2. | Mr. Nirvikar Nath Mittal [Whole-time Director] | 23.59 | Nil | 8.70 |
| 3. | Mr. Shirkant Mittal [Whole-time Director] | 18.00 | Nil | 6.64 |
| 4. | Ms. Gazal Mittal* [Company Secretary & Compliance Officer] | 2.52 | Nil | NA |

*After the closure of Financial Year Ms. Gazal Mittal resigned from the post of Company Secretary w.e.f. 7th April, 2018, and in her place Ms. Ekta Jain has been appointed as a Company Secretary of the Company w.e.f. 4th May, 2018.

- i. The median remuneration of employees of the Company during the financial year was Rs. 2.71 lakhs.
- ii. The percentage decrease in the median remuneration of employees is 22.14% during the financial year as compared to previous F.Y. 2016-17
- iii. There were 94 permanent employees "ONROLL" of the Company as on March 31, 2018;
- iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year is 7.98% whereas the increase in the managerial remuneration for the same financial year was NIL.
- v. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- vi. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

b) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sl. No. | Employee Name | Designation | Qualification | Total Experience (Years) | D.O.J | Age | Name of Last Organization | Total Remuneration (per month) |
|---------|-----------------------|-----------------------|----------------------------------|--------------------------|-------------|-----|----------------------------------|--------------------------------|
| 1 | Amrendra Kumar Karn | General Manager | Global Human Resource Management | 22 | 15-Apr-2016 | 45 | Lords Hotels & Resorts Kathmandu | 1,410,000.00 |
| 2 | Suneel Raina | Executive Housekeeper | Diploma in Hotel Management | 20 | 1-Apr-2017 | 49 | Radisson BluMarina. New Delhi | 48,150.00 |
| 3 | Sanju Kumar | Executive Sous Chef | BSC H.M | 10 | 13-Mar-2018 | 30 | Hotel Four points by Sheraton | 47,000.00 |
| 4 | Suraj Singh Chauhan | Asst F&B Manager | Diploma in H.M | 13 | 16-Feb-2018 | 36 | Hotel Clarks Shiraz | 42,000.00 |
| 5 | Dinesh Singh Mehra | Sous Chef | High School | 22 | 18-Sep-2017 | 42 | Chandra MehaliHawali | 31,215.00 |
| 6 | Nitin Kumar | Assistant Manager | MBA- Marketing | 12 | 06-Feb-2017 | 34 | Fab India Pvt Ltd | 30,000.00 |
| 7 | SubodhVij | HR Manager | MBA- HR | 10 | 24-Jan-2018 | 35 | Wyndham Grand - Hotel (5star) | 28,571.00 |
| 8 | Kirpal Singh Sikarwar | Banquet Manager | Diploma in H.M | 10 | 10-Mar-2018 | 29 | Hotel Clarks Shiraz | 24,400.00 |
| 9 | Ram Kumar | Cheif Engineer | B-TECH | 30 | 26-Oct-2015 | 54 | Senso E Biz Solutions Ltd | 23,631.00 |
| 10 | Sandeep Chauhan | Accounts Executive | M.Com | 6 | 21-Mar-2018 | 31 | Wyndham Grand - Hotel (5star) | 23,160.00 |

***The aforementioned employees are ON ROLL of the Company as on 31st March, 2018.**

**For & on behalf of Board of Directors of
HOWARD HOTELS LIMITED**

Place: Agra
Date: 30.07.2018

Sd /-
Nirankar Nath Mittal
(Chairman & Managing Director)
DIN: 01533102

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. The fortunes of the hospitality industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry. The Indian hospitality industry has recorded healthy growth fueled by robust inflow of foreign tourists as well as increased tourist movement within the country and it has become one of the leading players in the global industry.

SOCIO-ECONOMIC ENVIRONMENT

The third quarter of FY 2017-18 witnessed India's climb back on a growth trajectory, making it the fastest-growing major nation in the world. After dropping sharply to a three-year low of 5.7% in the first half of FY17, it recovered smartly to 7.2% in the quarter ended December 2017. This has been viewed by most as a sign that the economy has adjusted to the two recent policy shocks – demonetisation and implementation of GST – and is ready to resume its high growth path.

In its World Economic Outlook Update, the International Monetary Fund (IMF) also remains optimistic about India's growth potential. It has forecasted India's GDP growth at 7.4% for FY18 and expects that to accelerate to 7.8% in FY19.

While India remains one of the fastest growing major economies in the world, the pace of economic growth in recent years has remained below the desired levels and the country's potential. The successful implementation of structural initiatives identified by the Government towards improving the ease of doing business in the country by enhancing transparency, speeding up the approvals process, resolving policy issues and fostering greater levels of value addition within the country would be crucial to boost the performance of the Indian economy and realise its true potential.

INDUSTRY STRUCTURE AND DEVELOPMENT

Despite the challenging business environment India remains one of the fastest growing major economies in the world. The successful implementation of structural initiatives identified by the Government towards improving the ease of doing business in the country by enhancing transparency, speeding up the approvals process, resolving policy issues by working in tandem with the States and fostering greater levels of value addition within the country would be critical to boost the performance of the Indian economy and realizes its true potential. Adoption of sustainable business practices would be critical national goal.

It is your Company's belief that businesses can bring about transformational change by pursuing innovative business models that synergise the creation of sustainable livelihoods and the preservation of natural capital with enhancing shareholder value.

The share of India in International tourist arrivals is progressively increasing. Domestic Tourism too is growing. The number of Domestic tourists in India is rising.

FINANCIAL PERFORMANCE

Your company delivered a steady performance during the year in the backdrop of a persistently sluggish demand environment. The operating environment was rendered particularly challenging in the second half of the year with the currency crunch impacting the incipient recovery in demand. The business environment in the hotels industry also remained subdued, with only a marginal improvement in room rates.

Despite the challenging business environment as aforesaid, Gross revenue at **Rs. 952.12 lakhs grew by 6.78%**.

FOREIGN EXCHANGE EARNINGS

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1 April 2018. The company is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

RISK AND CONCERNs

The operating environment in the hospitality sector remained challenging during the year. 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.

The major weakness for the industry is Lack of good infrastructure such as good roads, continuous power supply, comfortable modes of transport, etc. The Government is taking steps to remove these weaknesses. The development of various sectors of the economy and the increase in the number of both domestic and international tourists offer tremendous opportunities for the Hotel Industry. India has got enormous potential to be tapped.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company's business activity falls within a single primary business segment viz. Hotel at Agra and the revenue from the hotel industry recorded a growth of **6.78%** during the year driven by **improvement in average room rates and higher food & beverage rates** while profitability remained muted due to the challenging business context as aforesated.

The business continues to focus on strengthening the equity, culinary excellence and personalization of guest services. During the year, the business augmented its digital presence towards enriching online experience of users along with superior e-commerce capabilities. This resulted in enhancing customer engagement. The rooms services continues to be a major strength of your company.

Your company's hotel business continuously strives to reduce water and energy consumption and enhance the usage of renewable energy to meet its overall energy requirements and has enabled it to position itself as the **green hotel**.

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 carry out 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.

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 from the dealers, business associates, agents, suppliers and the banks.

For & on behalf of Board of Directors of
HOWARD HOTELS LIMITED

Sd /-

Nirankar Nath Mittal
(Chairman & Managing Director)
DIN: 01533102

Place: Agra

Date: 30.07.2018

INDEPENDENT AUDITORS' REPORT

To the Members of **HOWARD HOTELS LIMITED**

Report on the Indian Accounting Standard (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **HOWARD HOTELS LIMITED** ('the Company'), which comprises the Balance Sheet as at 31st March, 2018, Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matter's which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its total comprehensive income (comprising of profit/ loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **"Annexure A"** a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law relating to preparation of the Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books;
 - c) The Ind AS financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act as applicable;
 - e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness

of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

For P. C. Bindal & Co.
Chartered Accountants
FRN 003824N

Sd/-

CA Manushree Bindal
Partner
Membership No. 517316

Place: Agra (U.P.)
Date: 29th May, 2018

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of **HOWARD HOTELS LIMITED** (“the Company”) for the year ended 31st March, 2018:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three year. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information & explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the book of accounts.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 Companies Act 2013. Accordingly, Clauses (a), (b) and (c) of sub Para iii of paragraph 3 of the order are not applicable.
- iv. According to the information & explanation given to us, the Company has neither given any loans or guarantees nor made any investment and securities as per provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, this Clause Para iii of paragraph 3 of the order are not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as mentioned in the directives issued by Reserve Bank of India and provisions of sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and the rules framed thereunder.
- vi. To the best of our knowledge and explanation given to us, the Central Government has not prescribed maintenance of cost records under clause of sub section (1) of section 148 of the Companies Act, 2013 for the services rendered by the company. Hence, the provisions of paragraph 3(vi) of the Order is not applicable.
- vii. (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, goods and services tax, sales tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31-Mar-2018 for a period of more than six months from the date they became payable except of the following amounts: -

| Name of the Statute | Nature of Dues | Undisputed amount (Rs. In Lacs) |
|---------------------|----------------|---------------------------------|
| CGST Act, 2017 | CGST & SGST | 0.09 |

- (b) According to the information and explanations given to us, there are no dues of income tax or wealth tax or service tax which have not been deposited on account of any dispute except of the following amounts:

| Name of the Statute | Nature of Dues | Disputed amount (Rs. In Lacs) | Period to which amount relates | Forum where dispute is pending |
|---------------------|-----------------------|-------------------------------|--------------------------------|---|
| Provident Fund | Provident Fund Demand | 9.19 | 01/04/1996 to 31/01/2014 | Asstt/ Regional Commissioner Provident Fund |
- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), however, term loans taken during the year were applied for the purpose for which these were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.

- xiii. According to the information and explanations given to us and our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3 (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For P. C. Bindal & Co.
Chartered Accountants
FRN 003824N

Sd/-
CA Manushree Bindal
Partner
Membership No. 517316

Place: Agra (U.P.)
Date: 29th May, 2018

HOWARD HOTELS LIMITED

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Howard Hotels Limited** (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the ‘Guidance Note’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. C. Bindal & Co.
Chartered Accountants
FRN 003824N

Sd/-
CA Manushree Bindal
Partner
Membership No. 517316

Place: Agra (U.P.)

Date: 29th May, 2018

HOWARD HOTELS LIMITED
Balance Sheet as at 31st March, 2018

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | Note | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|------|---------------------------|--------------------------|-------------------------|
| ASSETS | | | | |
| I Non-current assets | | | | |
| (a) Property, plant and equipment | 6 | 1,421.18 | 1,294.12 | 1,225.61 |
| (b) Capital work in progress | 6 | - | 66.45 | 118.50 |
| (c) Other Intangible assets | 7 | 0.70 | 2.03 | 3.25 |
| (d) Financial assets | | | | |
| (i) Other Financial assets | 8 | 6.14 | 17.35 | 16.08 |
| (e) Deferred tax assets (Net) | 9 | 12.97 | - | - |
| (f) Other non-current assets | 10 | - | 42.48 | 35.56 |
| Total Non-current assets | | 1,440.99 | 1,422.42 | 1,399.00 |
| II Current assets | | | | |
| (a) Inventories | 11 | 15.53 | 16.31 | 27.44 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 12 | 73.45 | 53.41 | 64.66 |
| (ii) Cash and cash equivalents | 13 | 33.52 | 54.87 | 39.24 |
| (iii) Bank balances other than (ii) Above | 14 | 12.81 | - | - |
| (iv) Loans | 15 | 21.54 | 20.52 | 20.44 |
| (c) Other current assets | 16 | 27.67 | 22.04 | 30.70 |
| Total Current assets | | 184.52 | 167.16 | 182.48 |
| TOTAL ASSETS | | 1,625.51 | 1,589.58 | 1,581.48 |
| EQUITY AND LIABILITIES | | | | |
| III EQUITY | | | | |
| (a) Equity share capital | 17 | 911.32 | 911.32 | 911.32 |
| (b) Other equity | 18 | 322.55 | 347.73 | 350.73 |
| Total equity | | 1,233.87 | 1,259.05 | 1,262.05 |
| LIABILITIES | | | | |
| IV Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19 | 13.58 | 8.10 | - |
| (b) Provisions | 20 | 15.82 | 11.95 | 11.18 |
| (c) Deferred tax liabilities (Net) | 9 | - | 20.91 | 21.78 |
| Total Non-current liabilities | | 29.40 | 40.96 | 32.96 |
| V Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 21 | 190.00 | 170.00 | 160.00 |
| (ii) Trade Payables | 22 | 58.86 | 47.87 | 41.31 |
| (iii) Other financial liabilities | 23 | 55.07 | 48.47 | 58.94 |
| (b) Other current liabilities | 24 | 33.87 | 22.95 | 24.76 |
| (c) Provisions | 20 | 24.44 | 0.29 | 1.46 |
| Total Current liabilities | | 362.24 | 289.58 | 286.47 |
| Total liabilities | | 391.64 | 330.54 | 319.43 |
| TOTAL EQUITY AND LIABILITIES | | 1,625.51 | 1,589.58 | 1,581.48 |

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For P. C. BINDAL & CO.

Chartered Accountants

(Firm Registration Number: 003824N)

Sd/-

(CA. Manushree Bindal)

Partner

M.No.517316

For and on behalf of the Board

Sd/-

Nirankar Nath Mittal

Chairman & MD

DIN: 01533102

Sd/-

Nirvikar Nath Mittal

Whole Time Director

DIN: 00536470

Sd/-

Shri Kant Mittal

Whole Time Director and CFO

DIN: 01533368

Place : Agra (U.P.)

Date : 29th May, 2018

HOWARD HOTELS LIMITED

HOWARD HOTELS LIMITED Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | Note | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|------|---------------------------------------|---------------------------------------|
| I Revenue from operations | 25 | 929.21 | 871.50 |
| II Other income | 26 | 22.91 | 20.12 |
| III Total income (I+II) | | 952.12 | 891.62 |
| IV Expenses | | | |
| (a) Cost of material consumed | 27 | 149.44 | 139.60 |
| (b) Employee benefits expense | 28 | 282.54 | 257.72 |
| (c) Finance costs | 29 | 17.43 | 7.80 |
| (e) Depreciation and amortization expense | 30 | 70.34 | 70.06 |
| (f) Other operating and general expenses | 31 | 463.50 | 421.04 |
| Total expenses | | 983.26 | 896.22 |
| V Profit/(loss) before exceptional items and tax (III-IV) | | (31.14) | (4.60) |
| VI Exceptional items | | - | - |
| VII Profit/(loss) before tax (V+VI) | | (31.14) | (4.60) |
| VIII Income tax expense | | | |
| (a) Current tax | | - | - |
| (b) Deferred tax | | 27.15 | 1.09 |
| (c) Earlier Year Tax | | (2.04) | - |
| Total tax expense | | 25.11 | 1.09 |
| IX Profit/(loss) for the year (VII+VIII) | | (6.03) | (3.51) |
| X Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss in subsequent periods: | | | |
| (i) Remeasurements of post-employment defined benefit obligations | | (25.88) | 0.73 |
| (ii) Income tax effect | | 6.73 | (0.22) |
| Other comprehensive income for the year, net of tax | | (19.15) | 0.51 |
| XI Total comprehensive income for the year (IX+X) | | (25.18) | (3.00) |
| XII Earnings per share in Rs. | 35 | | |
| Basic earnings per equity share | | (0.07) | (0.04) |
| Diluted earnings per equity share | | (0.07) | (0.04) |
| Summary of significant Accounting policies | 3 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For P. C. BINDAL & CO.

Chartered Accountants

(Firm Registration Number: 003824N)

Sd/-

(CA. Manushree Bindal)

Partner

M.No.517316

Sd/-

Nirankar Nath Mittal

Chairman & MD

DIN: 01533102

Sd/-

Nirvikar Nath Mittal

Whole Time Director

DIN: 00536470

Sd/-

Ekta Jain

Company Secretary

A 45987

Sd/-

Shri Kant Mittal

Whole Time Director and CFO

DIN: 01533368

Place : Agra (U.P.)

Date : 29th May, 2018

HOWARD HOTELS LIMITED
Statement of Cash Flows for the year ended 31 March 2018

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|--|---------------------------------------|---------------------------------------|
| A. Cash flow from operating activities | | |
| Net profit/(loss) before tax | (31.14) | (4.60) |
| Adjustment to reconcile profit before tax to net cash flows : | | |
| Depreciation/amortization | 70.34 | 70.06 |
| (Profit)/Loss on sale of property, plant and equipment | (0.54) | (0.72) |
| Other comprehensive income | (25.88) | 0.73 |
| Interest expense | 17.43 | 7.80 |
| Operating profit before working capital changes | 30.22 | 73.27 |
| Adjustments for change in working capital | | |
| Decrease / (increase) in inventory | 0.78 | 11.13 |
| Decrease / (increase) in Trade receivables | (20.05) | 11.25 |
| Decrease / (increase) in Non current Assets | 53.68 | (8.18) |
| (Decrease) / increase in Retirement Benefits | 28.03 | (0.40) |
| (Decrease) / increase in Current liabilities | 17.52 | (12.28) |
| (Decrease) / increase in Trade payables | 10.98 | 6.56 |
| Decrease / (increase) in Other Current Assets | (6.64) | 8.58 |
| Decrease/(Increase) in other assets | (12.81) | - |
| Cash generated from operation | 101.72 | 89.93 |
| Income Tax (paid) | 2.04 | - |
| Net cash flows from operating activities | <u>99.68</u> | <u>89.93</u> |
| B. Cash flow from investing activities | | |
| Sale of fixed assets | 13.00 | 5.28 |
| Purchase of property, plant and equipment, including intangible assets, capital work in progress | (142.09) | (89.86) |
| Net cash flows/(Used in) from investing activities | <u>(129.09)</u> | <u>(84.59)</u> |
| C. Cash flow from financing activities | | |
| Proceeds/(Repayments) of Short term borrowings (net) | 20.00 | 10.00 |
| Proceeds/(Repayments) of Long term borrowings (net) | 5.48 | 8.10 |
| Interest Paid | (17.43) | (7.80) |
| Net cash flows from financing activities | <u>8.06</u> | <u>10.30</u> |
| Net increase/decrease in cash & cash equivalents (A+B+C) | (21.35) | 15.64 |
| Cash & cash equivalents at the begining of the year | 54.87 | 39.24 |
| Cash & cash equivalents at the closing of the year | 33.52 | 54.87 |
| Components of cash and cash equivalents | | |
| Cash on hand | 2.27 | 2.49 |
| With banks on current account | 31.25 | 52.39 |
| Total cash and cash equivalents [Refer note no. 13] | 33.52 | 54.87 |

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow' notified under the Companies (Indian Accounting Standards) Rules, 2015.

Summary of significant Accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For P. C. BINDAL & CO.

Chartered Accountants
(Firm Registration Number: 003824N)

Sd/-
(CA. Manushree Bindal)
Partner
M.No.517316

Place : Agra (U.P.)
Date : 29th May, 2018

For and on behalf of the Board

Sd/-
Nirankar Nath Mittal
Chairman & MD
DIN: 01533102

Sd/-
Ekta Jain
Company Secretary
A 45987

Sd/-
Nirvikar Nath Mittal
Whole Time Director
DIN: 00536470

Sd/-
Shri Kant Mittal
Whole Time Director and CFO
DIN: 01533368

HOWARD HOTELS LIMITED

Notes to the financial statements for the year ended 31 March 2018

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

Howard Hotels Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited. The registered office of the Company is located at 20, Maurya Complex, B-28 Subhash Chowk, Laxmi Nagar, New Delhi-110092.

The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

These financial statements are approved for issue by the Board of Directors on May 29, 2018.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), to the extent applicable, and the presentation requirements of the Companies Act, 2013. These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 [First-Time Adoption of Indian Accounting Standards] with the date of transition as April 1, 2016. Refer Note No. 42 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest Lakh with two decimal places, unless stated otherwise.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the financial statements.

a) Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

c) Revenue recognition

Income from Operations

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff/ rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

d) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

f) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

HOWARD HOTELS LIMITED

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Softwares are amortized on a straight line basis over a period of 6 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost [computed on a first-in, first-out (FIFO) basis] or net realisable value. Cost includes fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

l) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

The Company operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined

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benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

m) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Accounting for foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 33.

Contingencies

Management judgement of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. Recent accounting pronouncements

a) **Ind AS 115 – Revenue from contract with customers:**

Ind AS 115, Revenue from contracts with customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which

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the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted.

The company is in the process of assessing the detailed impact of Ind AS 115 on its financial statements.

b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1 April 2018. The company is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

HOWARD HOTELS LIMITED
Statement of changes in equity for the year ended 31 March 2018

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | Note | Nos. | Rs. in Lakhs |
|--|------|--------------------|-------------------|
| (A) Equity share capital | | | |
| As at 1 April 2016 | | 9,113,200 | 911.32 |
| Changes in equity share capital | 17 | - | - |
| As at 31 March 2017 | | <u>9,113,200</u> | <u>911.32</u> |
| Changes in equity share capital | 17 | - | - |
| As at 31 March 2018 | | <u>9,113,200</u> | <u>911.32</u> |
| (B) Other equity | | | |
| Particulars | | Securities premium | Retained earnings |
| Balance as at 1 April 2016 | | 40.50 | 310.23 |
| Profit/(loss) for the year | | - | (3.51) |
| Other comprehensive income | | - | 0.51 |
| Total comprehensive income for the year | | (3.00) | (3.00) |
| Balance as at 31 March 2017 | | 40.50 | 307.23 |
| Balance as at 1 April 2017 | | 40.50 | 307.23 |
| Profit/(loss) for the year | | - | (6.03) |
| Other comprehensive income | | - | (19.15) |
| Total comprehensive income for the year | | (25.18) | (25.18) |
| Balance as at 31 March 2018 | | 40.50 | 282.05 |
| | | | 322.55 |

The accompanying notes form an integral part of these financial statements

As per our report of even date

For P. C. BINDAL & CO.

Chartered Accountants

(Firm Registration Number: 003824N)

For and on behalf of the Board

Sd/-

(CA. Manushree Bindal)

Partner

M.No.517316

Sd/-

Nirankar Nath Mittal

Chairman & MD

DIN: 01533102

Sd/-

Nirvikar Nath Mittal

Whole Time Director

DIN: 00536470

Sd/-

Ekta Jain

Company Secretary

A 45987

Sd/-

Shri Kant Mittal

Whole Time Director and CFO

DIN: 01533368

Place : Agra (U.P.)

Date : 29th May, 2018

HOWARD HOTELS LIMITED

(All amounts in Indian Rupees Lakhs unless otherwise stated)

NOTE # 6

PROPERTY, PLANT AND EQUIPMENT

| Particulars | Freehold Land | Buildings | Plant & Machinery | Furniture and fixtures | Data Processing System | Vehicles | Total |
|-------------------------|---------------|-----------------|-------------------|------------------------|------------------------|--------------|-----------------|
| Deemed Cost* | | | | | | | |
| At 1 April 2016 | 33.45 | 1,169.19 | 548.09 | 263.04 | 49.14 | 151.70 | 2,214.61 |
| Additions | - | 134.62 | 3.96 | 1.43 | 1.59 | - | 141.59 |
| Disposals / adjustments | - | - | - | - | - | (18.43) | (18.43) |
| At 31 March 2017 | 33.45 | 1,303.81 | 552.05 | 264.48 | 50.72 | 133.27 | 2,337.77 |
| Additions | - | 123.00 | 23.72 | 6.33 | 0.88 | 54.61 | 208.55 |
| Disposals / adjustments | - | - | - | - | - | (31.04) | (31.04) |
| At 31 March 2018 | 33.45 | 1,426.80 | 575.76 | 270.81 | 51.61 | 156.85 | 2,515.28 |
| Depreciation* | | | | | | | |
| At 1 April 2016 | - | 265.07 | 417.31 | 201.75 | 47.78 | 57.10 | 989.00 |
| Charge for the year | - | 22.34 | 14.67 | 9.61 | 1.02 | 20.89 | 68.53 |
| Disposals / adjustments | - | - | - | - | - | (13.88) | (13.88) |
| At 31 March 2017 | - | 287.41 | 431.98 | 211.35 | 48.80 | 64.11 | 1,043.65 |
| Charge for the year | - | 25.90 | 14.96 | 9.59 | 0.56 | 18.01 | 69.02 |
| Disposals / adjustments | - | - | - | - | - | (18.57) | (18.57) |
| At 31 March 2018 | - | 313.31 | 446.94 | 220.95 | 49.35 | 63.55 | 1,094.10 |
| Net Block | | | | | | | |
| At 1 April 2016 | 33.45 | 904.12 | 130.78 | 61.30 | 1.36 | 94.60 | 1,225.61 |
| At 31 March 2017 | 33.45 | 1,016.40 | 120.07 | 53.12 | 1.93 | 69.16 | 1,294.12 |
| At 31 March 2018 | 33.45 | 1,113.50 | 128.83 | 49.86 | 2.25 | 93.30 | 1,421.18 |

Rs. in lakhs

| | | | | | | | |
|---------------------------------|--|--|--|--|--|--|----------|
| Capital work-in-Progress | | | | | | | |
| Deemed Cost* | | | | | | | |
| At 1 April 2016 | | | | | | | 118.50 |
| Additions | | | | | | | 82.57 |
| Transfers | | | | | | | (134.62) |
| At 31 March 2017 | | | | | | | 66.45 |
| Additions | | | | | | | - |
| Transfers | | | | | | | (66.45) |
| At 31 March 2018 | | | | | | | - |

*The Company has elected to measure all of its property, plant and equipment & Capital work-in-Progress at their previous GAAP carrying values, as deemed cost, at the transition date.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

NOTE # 7

INTANGIBLE ASSETS

| Particulars | Computer Software |
|-------------------------|-------------------|
| Deemed Cost* | |
| At 1 April 2016 | 9.52 |
| Additions | 0.32 |
| Disposals / adjustments | - |
| At 31 March 2017 | 9.83 |
| Additions | - |
| Disposals / adjustments | - |
| At 31 March 2018 | 9.83 |
| Amortization* | |
| At 1 April 2016 | 6.27 |
| Charge for the year | 1.53 |
| Disposals / adjustments | - |
| At 31 March 2017 | 7.80 |
| Charge for the year | 1.32 |
| Disposals / adjustments | - |
| At 31 March 2018 | 9.13 |
| Net Block | |
| At 1 April 2016 | 3.25 |
| At 31 March 2017 | 2.03 |
| At 31 March 2018 | 0.70 |

*The Company has elected to measure all of its Intangible assets at their previous GAAP carrying values, as deemed cost, at the transition date.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 8 | | | |
| OTHER FINANCIAL ASSETS | | | |
| Deposits with original maturity for more than 12 months (including interest accrued thereon) | 6.14 | 17.35 | 16.08 |
| Total | <u><u>6.14</u></u> | <u><u>17.35</u></u> | <u><u>16.08</u></u> |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 9 | | | |
| (a) Deferred Tax (Net) | | | |
| Deferred Tax Liabilities | | | |
| Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting | 159.11 | 182.79 | 180.24 |
| Total (A) | <u><u>159.11</u></u> | <u><u>182.79</u></u> | <u><u>180.24</u></u> |
| Deferred Tax Assets | | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 14.36 | 9.33 | 10.43 |
| Carried Forward Tax Losses as per Income Tax Act | 53.14 | 47.97 | 43.45 |
| Mat Credit Entitlement | 104.58 | 104.58 | 104.58 |
| Total (B) | <u><u>172.08</u></u> | <u><u>161.88</u></u> | <u><u>158.46</u></u> |
| Deferred Tax Liabilities/(Assets) (Net) [C=A-B] | <u><u>(12.97)</u></u> | <u><u>20.91</u></u> | <u><u>21.78</u></u> |

HOWARD HOTELS LIMITED

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| (b) Reconciliation of deferred tax | | |
| Opening Deferred Tax Liabilities/(Assets) | 20.91 | 21.78 |
| Deferred tax (credit)/charge recorded in statement of profit & loss | (27.15) | (1.09) |
| Deferred tax (credit)/charge recorded in OCI | (6.73) | 0.22 |
| Closing Deferred Tax Liabilities/(Assets) | (12.97) | 20.91 |
| (c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate | | |
| Accounting profit/(loss) before income tax | (31.14) | (4.60) |
| At India's statutory income tax rate of 26% (31 March 2017: 30.9%) | 8.10 | 1.42 |
| Adjustments in respect of current income tax of previous years | (2.04) | - |
| Impact of change in tax rate (on deferred tax) | 19.67 | - |
| Others | (0.61) | (0.33) |
| At the effective income tax rate of (80.65%) (31 March 2017: (23.81%)) | 25.11 | 1.09 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 10 | | | |
| OTHER NON-CURRENT ASSETS | | | |
| Capital advances (Unsecured, Considered good) | - | 12.21 | - |
| Income Tax Refunds | - | 30.26 | 35.56 |
| Total | - | 42.48 | 35.56 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 11 | | | |
| INVENTORIES | | | |
| (Valued at lower of cost and net realizable value) | | | |
| Food,Beverage,Tobacco, etc. | 8.49 | 5.55 | 6.89 |
| Crockery, Cutlery, Glassware, etc. | 1.56 | 2.55 | 2.36 |
| Stores and Spare Parts, etc. | 5.48 | 8.21 | 18.19 |
| Total | 15.53 | 16.31 | 27.44 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------------|---------------------------|--------------------------|-------------------------|
| NOTE # 12 | | | |
| TRADE RECEIVABLES | | | |
| Trade receivables | 73.45 | 53.41 | 64.66 |
| Total receivables | 73.45 | 53.41 | 64.66 |
| Break-up of security details | | | |
| Secured, considered good | - | - | - |
| Unsecured, considered good | 73.45 | 53.41 | 64.66 |
| Doubtful | - | - | - |
| Total | 73.45 | 53.41 | 64.66 |
| Total trade receivables | 73.45 | 53.41 | 64.66 |

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|---------------------------|--------------------------|-------------------------|
| NOTE # 13 | | | |
| CASH AND CASH EQUIVALENTS | | | |
| Balances with banks: | | | |
| - In current accounts | 31.25 | 52.39 | 36.86 |
| Cash on hand | 2.27 | 2.49 | 2.38 |
| Total | <u>33.52</u> | <u>54.87</u> | <u>39.24</u> |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 14 | | | |
| OTHER BANK BALANCES | | | |
| Deposits with original maturity for more than 3 months but not more than 12 months (including interest accrued thereon) | 12.81 | - | - |
| Total | <u>12.81</u> | <u>-</u> | <u>-</u> |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------------|---------------------------|--------------------------|-------------------------|
| NOTE # 15 | | | |
| CURRENT LOANS | | | |
| (Unsecured, considered good) | | | |
| Security deposits | 20.08 | 20.08 | 20.08 |
| Others | 1.46 | 0.44 | 0.36 |
| Total | <u>21.54</u> | <u>20.52</u> | <u>20.44</u> |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------------|---------------------------|--------------------------|-------------------------|
| NOTE # 16 | | | |
| OTHER CURRENT ASSETS | | | |
| Prepaid expenses | | | |
| | 14.22 | 12.93 | 12.52 |
| Advances to suppliers and vendors | 1.31 | 1.86 | 7.08 |
| Balances with government authorities | 12.14 | 7.26 | 11.10 |
| Total | <u>27.67</u> | <u>22.04</u> | <u>30.70</u> |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 17 | | | |
| SHARE CAPITAL | | | |
| Authorised share capital | | | |
| 1,00,00,000 (31 March 2017: 1,00,00,000, 1 April 2016: 1,00,00,000) | 1,000.00 | 1,000.00 | 1,000.00 |
| Equity Shares of Rs.10/- each | <u>1,000.00</u> | <u>1,000.00</u> | <u>1,000.00</u> |
| Issued, Subscribed and fully paid up shares | | | |
| 91,13,200 (31 March 2017: 91,13,200, 1 April 2016: 91,13,200) | 911.32 | 911.32 | 911.32 |
| Equity Shares of Rs. 10/- each fully paid up | <u>911.32</u> | <u>911.32</u> | <u>911.32</u> |
| Total | <u>911.32</u> | <u>911.32</u> | <u>911.32</u> |

HOWARD HOTELS LIMITED

(a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|--|---------------------|---------------|---------------------|---------------|
| | No. | Rs. in Lakhs | No. | Rs. in Lakhs |
| Equity Shares at the beginning of the year | 9,113,200 | 911.32 | 9,113,200 | 911.32 |
| Add: Allotted during the year | - | - | - | - |
| Equity Shares at the end of year | 9,113,200 | 911.32 | 9,113,200 | 911.32 |

Terms/ rights 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.

(b) Details of shareholders holding more than 5% shares in the company

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | | As at 1 April 2016 | |
|----------------------|---------------------|-----------|---------------------|-----------|--------------------|-----------|
| | No. | % Holding | No. | % Holding | No. | % Holding |
| Nirankar Nath Mittal | 1,847,834 | 20.28% | 1,847,834 | 20.28% | 1,847,834 | 20.28% |
| Nirvikar Nath Mittal | 1,787,833 | 19.62% | 1,787,833 | 19.62% | 1,787,833 | 19.62% |
| BrijLata Mittal | 1,425,501 | 15.64% | 1,425,501 | 15.64% | 1,425,501 | 15.64% |
| | 5,061,168 | 55.54% | 5,061,168 | 55.54% | 5,061,168 | 55.54% |

(c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2018

| Particulars | As at | | |
|--|------------------|-----------------|----------------|
| | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
| - Aggregate number of shares allotted as fully paid up pursuant to Contract without payment being received In cash | Nil | Nil | Nil |
| - Aggregate number of shares allotted as fully paid up by way of bonus shares | Nil | Nil | Nil |
| - Aggregate number of shares bought back | Nil | Nil | Nil |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at | As at | As at |
|---------------------|------------------|-----------------|----------------|
| | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
| NOTE # 18 | | | |
| OTHER EQUITY | | | |
| Securities premium | 40.50 | 40.50 | 40.50 |
| Retained earnings | 282.05 | 307.23 | 310.23 |
| Total | 322.55 | 347.73 | 350.73 |

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31st March 2018 | 31st March 2017 |
| (i) Securities Premium | | |
| Opening Balance | 40.50 | 40.50 |
| Add : Addition | - | - |
| Closing Balance | 40.50 | 40.50 |
| Opening Balance | 307.23 | 310.23 |
| Add : Profit/(loss) for the year | (6.03) | (3.51) |
| Add: Items of other comprehensive income recognised directly in retained earnings | - | - |
| - Remeasurement of post employment benefit obligation, net of tax | (19.15) | 0.51 |
| Closing Balance | 282.05 | 307.23 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|---------------------------|--------------------------|-------------------------|
| NOTE # 19 | | | |
| NON-CURRENT BORROWINGS | | | |
| Secured Loans | | | |
| Term Loans from Banks | 9.26 | - | - |
| Term Loans from Others | 22.16 | 15.00 | 16.14 |
| Total | 31.43 | 15.00 | 16.14 |
| Non-current | 13.58 | 8.10 | - |
| Current Maturities (Included in Note No: 23) | 17.85 | 6.90 | 16.14 |

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Term Loans from Banks includes Vehicle loan from HDFC Bank Limited Secured by charge over respective asset, which carries fixed interest @ 8.5 % and repayable in equal monthly instalment of Rs. 43,790/- starting from 5th Feb,2018. **Term Loans from Others** amounting to Rs 22.16 Lakhs (31 March 2017: Rs 15.00 Lakhs, 1 April 2016: Rs 16.14 Lakhs) carries interest rate ranging between 8.25 % p.a. to 8.74 % p.a. and repayable in equal monthly instalment. The Loans are Secured by charge over respective asset.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------|---------------------------|--------------------------|-------------------------|
| NOTE # 20 | | | |
| PROVISIONS | | | |
| Provision for gratuity | 40.26 | 12.24 | 12.64 |
| Total | 40.26 | 12.24 | 12.64 |
| Non-current | 15.82 | 11.95 | 11.18 |
| Current | 24.44 | 0.29 | 1.46 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 21 | | | |
| CURRENT BORROWINGS | | | |
| Unsecured Loans | | | |
| Inter Corporate Deposits from Related Parties | 190.00 | 170.00 | 160.00 |
| Total | 190.00 | 170.00 | 160.00 |

Note:

- i) Inter Corporate Deposits from Related Parties are repayable on demand and do not carry any interest.
- ii) The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

HOWARD HOTELS LIMITED

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---------------------------|--------------------------|-------------------------|
| NOTE # 22 | | | |
| TRADE PAYABLES | | | |
| Current | | | |
| Total outstanding dues of micro & small enterprises | - | - | - |
| Total outstanding dues of trade payables other than micro & small enterprises | 58.86 | 47.87 | 41.31 |
| Total | 58.86 | 47.87 | 41.31 |

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31st March 2018, 31 March 2017 and 1st April 2016.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|---------------------------|--------------------------|-------------------------|
| NOTE # 23 | | | |
| OTHER FINANCIAL LIABILITIES | | | |
| Current Maturities of Long-Term Borrowings (refer Note No. 19) | | | |
| Securities & Deposits | 17.85 | 6.90 | 16.14 |
| Expenses Payable | 5.23 | 3.78 | 3.28 |
| Total | 32.00 | 37.79 | 39.52 |
| Total | 55.07 | 48.47 | 58.94 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|---------------------------|--------------------------|-------------------------|
| NOTE # 24 | | | |
| OTHER CURRENT LIABILITIES | | | |
| Statutory Dues | | | |
| Advances from customers | 17.84 | 10.26 | 9.95 |
| Total | 16.03 | 12.69 | 14.81 |
| Total | 33.87 | 22.95 | 24.76 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|--|---------------------------------------|---------------------------------------|
| NOTE # 25 | | |
| REVENUE FROM OPERATIONS | | |
| - Rooms | | |
| - Food & Beverage | 523.54 | 507.40 |
| - Other Services | 383.45 | 342.46 |
| Revenue from operations (Gross) | 22.23 | 21.65 |
| Revenue from operations (Gross) | 929.21 | 871.50 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|----------------------------|---------------------------------------|---------------------------------------|
| NOTE # 26 | | |
| OTHER INCOME | | |
| Interest Income | 6.66 | 1.89 |
| Other Non-Operating Income | | |
| - Rent Received | 6.60 | 5.22 |
| - Miscellaneous Income | 9.65 | 13.00 |
| Total | 22.91 | 20.12 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---------------------------------------|---------------------------------------|
| NOTE # 27 | | |
| COST OF MATERIAL CONSUMED | | |
| Food & Beverage, Tobacco, etc. consumed | 149.44 | 139.60 |
| Total | 149.44 | 139.60 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|------------------------------------|---------------------------------------|---------------------------------------|
| NOTE # 28 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 198.48 | 175.04 |
| Contribution to PF and Other Funds | 15.25 | 13.03 |
| Director Remuneration | 67.34 | 67.34 |
| Sitting Fees | 1.40 | 1.96 |
| Staff Welfare Expenses | 0.06 | 0.35 |
| Total | 282.54 | 257.72 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|----------------------|---------------------------------------|---------------------------------------|
| NOTE # 29 | | |
| FINANCE COSTS | | |
| Bank Charges | 0.16 | 0.15 |
| Interest Expense | 17.26 | 7.65 |
| Total | 17.43 | 7.80 |

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|--|---------------------------------------|---------------------------------------|
| NOTE # 30 | | |
| DEPRECIATION AND AMORTIZATION EXPENSE | | |
| Depreciation of Property, Plant and Equipment (Read with Note No. 6) | 69.02 | 68.53 |
| Amortization of Intangible Assets (Read with Note No. 6) | 1.32 | 1.53 |
| Total | 70.34 | 70.06 |

HOWARD HOTELS LIMITED

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---------------------------------------|---------------------------------------|
| NOTE # 31 | | |
| OTHER OPERATING AND GENERAL EXPENSES | | |
| Audit Fee | 1.25 | 1.44 |
| Travelling & Conveyance | 9.49 | 9.86 |
| Postage & Telephone | 0.79 | 0.76 |
| Insurance | 2.98 | 2.94 |
| Rates & Taxes | 35.40 | 19.31 |
| Printing & Stationary | 5.92 | 7.05 |
| Guest Supplies | 16.93 | 19.14 |
| Room Purchases | - | 0.21 |
| Power & Fuel | 193.44 | 173.05 |
| Professional & Legal Expenses | 11.55 | 14.98 |
| Repair & Maintenance | | |
| - Buildings | 3.46 | 8.54 |
| - Furniture & Fixtures | 9.94 | 2.96 |
| - Plant & Machinery | 6.39 | 6.42 |
| - Others | 30.13 | 22.51 |
| Marketing & Service Charges | 43.98 | 44.64 |
| Renovation & Renewal Expenses | 20.00 | 11.39 |
| Upkeep & Maintenance | 38.33 | 44.03 |
| Festival Expenses | 2.75 | 2.76 |
| A.G.M.Expenses | 2.68 | 2.92 |
| Telephone & Fax | 8.79 | 9.58 |
| Commission on Credit Cards | 3.16 | 2.82 |
| Misc Expenses | 8.26 | 7.61 |
| F & B other Expenses | 7.89 | 6.12 |
| Total | 463.50 | 421.04 |

32 EMPLOYEE BENEFIT OBLIGATIONS

(A) Defined benefit plan

Gratuity:

Provision for gratuity is determined by actuaries using the projected unit credit method.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Changes in the present value of the defined benefit obligation are as follows:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|--|------------------|-----------------|----------------|
| Defined benefit obligation at the beginning of the year | 12.24 | 12.64 | 12.07 |
| Interest expense | 0.92 | 0.95 | 0.97 |
| Current Service cost | 4.06 | 2.00 | 1.90 |
| Past Service cost | 0.12 | - | - |
| Benefits paid | (2.97) | (2.62) | (0.60) |
| Actuarial (gain)/ loss on obligations | 25.88 | (0.73) | (1.69) |
| Defined benefit obligation at the end of the year | 40.26 | 12.24 | 12.64 |

(ii) The amount to be recognized in the Balance Sheet:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|--|------------------|-----------------|----------------|
| Present value of obligation | 40.26 | 12.24 | 12.64 |
| Fair value of plan assets | - | - | - |
| Net assets / (liability) recognized in balance sheet as provision | (40.26) | (12.24) | (12.64) |

(iii) Net employee benefit expense recognised in the statement of profit and loss:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|-------------------------------------|------------------|-----------------|----------------|
| Interest cost on benefit obligation | 0.92 | 0.95 | 0.97 |
| Current service cost | 4.06 | 2.00 | 1.90 |
| Past service cost | 0.12 | - | - |
| Net benefit expense | 5.10 | 2.95 | 2.86 |

(iv) Net employee benefit expense recognised in the other comprehensive income (OCI):

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|-------------------------------------|------------------|-----------------|----------------|
| Actuarial (gain)/Loss on Obligation | 25.88 | (0.73) | (1.69) |
| Total Actuarial (gain)/Loss | 25.88 | (0.73) | (1.69) |

(v) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|--|------------------|-----------------|----------------|
| Average Past Service (Years) | 4.20 | 4.60 | 4.80 |
| Average remaining working life (Years) | 24.40 | 24.00 | 23.40 |
| Average Age (Years) | 33.60 | 34.00 | 34.60 |
| Weighted average duration (Years) | 16.00 | 16.00 | 17.00 |
| Discounting rate | 7.50 % PA | 7.50 % PA | 8.00 % PA |
| Future salary Increase | 5.00 % PA | 5.00 % PA | 5.00 % PA |

(vi) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below-

(All amounts in Indian Rupees Lakhs unless otherwise stated)

| Particulars | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|--|------------------|-----------------|----------------|
| Liability with 1% increase in Discount Rate | 39.47 | 10.92 | 11.41 |
| Liability with 1% decrease in Discount Rate | 41.10 | 13.80 | 14.11 |
| Liability with 1% increase in Salary Growth Rate | 41.12 | 13.83 | 14.14 |
| Liability with 1% decrease in Salary Growth Rate | 39.45 | 10.88 | 11.37 |

(B) Defined contribution plans

| Particulars | 31st March 2018 | 31st March 2017 |
|---|-----------------|-----------------|
| Employer's Contribution to Provident Fund | 10.36 | 9.43 |
| Employer's Contribution to ESI | 4.89 | 3.60 |
| Total | 15.25 | 13.03 |

HOWARD HOTELS LIMITED

33 SEGMENT INFORMATION

The Company's operations predominately relate to Hoteliering and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

Geographical Information

| Particulars | 31st March 2018 | 31st March 2017 |
|---|-----------------|-----------------|
| A. Revenue from external customers | | |
| - Within India | 929.21 | 871.50 |
| - Outside India | - | - |
| Total revenue as per statement of profit and loss | 929.21 | 871.50 |
| The revenue information above is based on the locations of the customers | | |
| No single customer contributes more than 10% or more of the Company's total revenue for the year ended March 31, 2018 and March 31, 2017. | | |
| B. Non-current operating assets | | |
| - Within India | 1,421.88 | 1,362.60 |
| - Outside India | - | - |
| Total | 1,421.88 | 1,362.60 |

Non-current assets for this purpose consist of property, plant and equipment, CWIP and intangible assets.

34 (A) Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Key Management Personnel (KMP):

| | |
|--------------------------|--|
| Mr. Nirankar Nath Mittal | Chairman & Managing Director |
| Mr. Nirvikar Nath Mittal | Whole Time Director |
| Mr. Shri Kant Mittal | Whole Time Director & CFO |
| Ms. Gazal Mittal | Company Secretary (resigned w.e.f. 07.04.2018) |
| Mr. Rakesh Kumar Agarwal | Independent Director |
| Mr. Ravi Kant Bansal | Independent Director |
| Ms. Alka Agarwal | Independent Director |

(b) Enterprises over which KMP/ relatives of KMP exercise significant influence :-

| |
|---|
| UBS Buildtech Private Limited |
| Rishireal Estates India Private Limited |
| Shree Nath Exports (India) Pvt Ltd |
| Exquisite |
| D'Craft Collection |

(B) Related Party Transactions:

| Particulars | KMP | | Other Related Parties | | Total | |
|------------------------------|--------------|--------------|-----------------------|--------------|---------------|---------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Short-term Employee Benefits | 69.86 | 69.86 | - | - | 69.86 | 69.86 |
| Director's Sitting fees | 1.40 | 1.96 | - | - | 1.40 | 1.96 |
| Lease Rent | 0.05 | 0.05 | - | - | 0.05 | 0.05 |
| Loan Taken | - | - | 20.00 | 10.00 | 20.00 | 10.00 |
| Loan Repaid | - | - | - | - | - | - |
| Interest Expenses | - | - | 16.30 | 15.14 | 16.30 | 15.14 |
| Rent Received | - | - | 5.34 | 4.80 | 5.34 | 4.80 |
| Total | 71.31 | 71.87 | 41.64 | 29.94 | 112.95 | 101.82 |

Balance outstanding:

| | | | | | |
|----------|---|---|--------|--------|--------|
| Due from | - | - | - | - | - |
| Due to | - | - | 190.00 | 170.00 | 190.00 |

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil, 1 April 2016: Nil)

35 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation :

| Particulars | 31st March 2018 | 31st March 2017 |
|---|-----------------|-----------------|
| Profit/(loss) for the year | (6.03) | (3.51) |
| Weighted average number of equity shares in calculating basic EPS (absolute value in number) | 9,113,200 | 9,113,200 |
| Effect of dilution | - | - |
| Weighted average number of equity shares in calculating diluted EPS (absolute value in number) | 9,113,200 | 9,113,200 |
| Earnings per share | | |
| - Basic (on nominal value of Rs. 10 per share) Rs./ share | (0.07) | (0.04) |
| - Diluted (on nominal value of Rs. 10 per share) Rs./ share | (0.07) | (0.04) |

36 CAPITAL COMMITMENTS

| | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|---|------------------|-----------------|----------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | - | - | - |

37 CONTINGENT LIABILITIES

| | 31st March, 2018 | 31st March 2017 | 1st April 2016 |
|--|------------------|-----------------|----------------|
| - Claims against the Company not acknowledged as debts : | | | |
| Sales tax | - | 0.89 | 0.49 |
| Provident Fund | 9.19 | 9.19 | 9.19 |

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company principal financial liabilities comprise loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, bank balances and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed & floating rate borrowings.

The Company doesn't have any exposure to floating rate borrowings, accordingly, as at 31st March, 2018, the Company does not have any interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The predominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR).

The Company operates in India only and is exposed to foreign exchange risk arising from foreign currency received from foreign customers. The exposure of the Company to foreign currency risk is not significant.

(iii) Price risk

There are no investments held by the company in any securities and classified in the balance sheet as at fair value through profit or loss or Other comprehensive income. Company does not have a practice of investing in any securities with a view to earn fair value gains. Accordingly, the Company is not exposed to market price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans and other financial assets.

Trade receivables consist of large number of customers. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore, the Company is not exposed to any credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31-March-2018

| Particulars | Carrying amount | Payable on demand | 0-12 months | 1-5 years | > 5 years | Total |
|-----------------------------|-----------------|-------------------|---------------|--------------|-----------|---------------|
| Borrowings | 203.58 | 190.00 | - | 13.58 | - | 203.58 |
| Trade payables | 58.86 | - | 58.86 | - | - | 58.86 |
| Other financial liabilities | 55.07 | - | 55.07 | - | - | 55.07 |
| Total | 317.51 | 190.00 | 113.93 | 13.58 | - | 317.51 |

As at 31-March-2017

| Particulars | Carrying amount | Payable on demand | 0-12 months | 1-5 years | > 5 years | Total |
|-----------------------------|-----------------|-------------------|--------------|-------------|-----------|---------------|
| Borrowings | 178.10 | 170.00 | - | 8.10 | - | 178.10 |
| Trade payables | 47.87 | - | 47.87 | - | - | 47.87 |
| Other financial liabilities | 48.47 | - | 48.47 | - | - | 48.47 |
| Total | 274.44 | 170.00 | 96.35 | 8.10 | - | 274.44 |

As at 1-April-2016

| Particulars | Carrying amount | Payable on demand | 0-12 months | 1-5 years | > 5 years | Total |
|-----------------------------|-----------------|-------------------|---------------|-----------|-----------|---------------|
| Borrowings | 160.00 | 160.00 | - | - | - | 160.00 |
| Trade payables | 41.31 | - | 41.31 | - | - | 41.31 |
| Other financial liabilities | 58.94 | - | 58.94 | - | - | 58.94 |
| Total | 260.25 | 160.00 | 100.25 | - | - | 260.25 |

39 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short-term and long-term borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

| Particulars | 31st March, 2018 | 31st March 2017 | 31st March 2016 |
|--|------------------|-----------------|-----------------|
| Cash and cash equivalents | 33.52 | 54.87 | 39.24 |
| Other bank balances | 12.81 | - | - |
| Non-current bank deposits | 6.14 | 17.35 | 16.08 |
| Total (a) | 52.46 | 72.22 | 55.32 |
| Non-current borrowings | 13.58 | 8.10 | - |
| Current borrowings | 190.00 | 170.00 | 160.00 |
| Current maturities of non-current borrowings | 17.85 | 6.90 | 16.14 |
| Total (b) | 221.43 | 185.00 | 176.14 |
| Net debt [c=b-a] | 168.97 | 112.78 | 120.82 |
| Total Capital (d) | 1,233.87 | 1,259.05 | 1,262.05 |
| Capital and net debt [e=c+d] | 1,402.84 | 1,371.83 | 1,382.87 |
| Gearing ratio [c/e] | 12.04% | 8.22% | 8.74% |

HOWARD HOTELS LIMITED

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

40 FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES

(a) Financial instruments by category

| Particulars | 31 March 2018 | | | 31 March 2017 | | | 1 April 2016 | | |
|------------------------------|---------------|--------|----------------|---------------|--------|----------------|--------------|--------|----------------|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Financial Assets | | | | | | | | | |
| Non-current | | | | | | | | | |
| Other Financial Assets | - | - | 6.14 | - | - | 17.35 | - | - | 16.08 |
| Current | | | | | | | | | |
| Trade receivables | - | - | 73.45 | - | - | 53.41 | - | - | 64.66 |
| Cash and cash equivalents | - | - | 33.52 | - | - | 54.87 | - | - | 39.24 |
| Other bank balances | - | - | 12.81 | - | - | - | - | - | - |
| Loans | - | - | 21.54 | - | - | 20.52 | - | - | 20.44 |
| Total | - | - | 147.45 | - | - | 146.15 | - | - | 140.42 |
| Financial Liabilities | | | | | | | | | |
| Non-current | | | | | | | | | |
| Borrowings | - | - | 13.58 | - | - | 8.10 | - | - | - |
| Current | | | | | | | | | |
| Borrowings | - | - | 190.00 | - | - | 170.00 | - | - | 160.00 |
| Trade payables | - | - | 58.86 | - | - | 47.87 | - | - | 41.31 |
| Other financial liabilities | - | - | 55.07 | - | - | 48.47 | - | - | 58.94 |
| Total | - | - | 317.51 | - | - | 274.44 | - | - | 400.67 |

(b) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair values.

(c) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company doesn't have financial instruments for which fair value is recognised or disclosed.

41 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Indian GAAP ("Previous GAAP"). Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at 1 April 2016 for the purpose of transition to Ind AS and as required by Ind AS 101. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and 31 March 2017 and statement of profit and loss for the year ended 31 March 2017.

(A) Ind AS optional exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemption:

Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment, Capital work in progress and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

(B) Ind AS mandatory exceptions

(a) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets has been made on the basis of the facts and circumstances that existed at the date of transition.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and previous GAAP on the Company's total equity and profit/(loss) for the year previously reported under previous GAAP following transition to Ind AS.

(i) Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)

| Particulars | Regrouped Indian GAAP | Adjustments | Ind AS | Foot Note |
|-------------------------------|-----------------------|-------------|----------|-----------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 1,225.61 | - | 1,225.61 | |
| Capital work in progress | 118.50 | - | 118.50 | |
| Other Intangible assets | 3.25 | - | 3.25 | |
| Financial assets | | | | |
| Other Financial assets | 16.08 | - | 16.08 | |
| Other non-current assets | 35.56 | - | 35.56 | |
| | 1,399.00 | - | 1,399.00 | |

HOWARD HOTELS LIMITED

| Particulars | Regrouped Indian GAAP | Adjustments | Ind AS | Foot Note |
|-------------------------------------|--------------------------|-------------|----------|-----------|
| Current assets | | | | |
| Inventories | 27.44 | - | 27.44 | |
| Financial assets | | | | |
| Trade receivables | 64.66 | - | 64.66 | |
| Cash and cash equivalents | 39.24 | - | 39.24 | |
| Other bank balances | - | - | | |
| Loans | 20.44 | - | 20.44 | |
| Other current assets | 135.28 | (104.58) | 30.70 | 1 |
| | 287.06 | (104.58) | 182.48 | |
| Total assets | 1,686.05 | (104.58) | 1,581.48 | |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 911.32 | - | 911.32 | |
| Other equity | 350.73 | - | 350.73 | |
| Total equity | 1,262.05 | - | 1,262.05 | |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | - | - | - | |
| Provisions | 11.18 | - | 11.18 | |
| Deferred tax liabilities (Net) | 126.35 | (104.58) | 21.78 | 1 |
| | 137.53 | (104.58) | 32.96 | |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 160.00 | - | 160.00 | |
| Trade payables | 41.31 | - | 41.31 | |
| Other financial liabilities | 58.94 | - | 58.94 | |
| Other current liabilities | 24.76 | - | 24.76 | |
| Provisions | 1.46 | - | 1.46 | |
| | 286.47 | - | 286.47 | |
| Total liabilities | 424.00 | (104.58) | 319.43 | |
| Total equity and liabilities | 1,686.05 | (104.58) | 1,581.48 | |

(ii) Reconciliation of equity as at 31 March 2017

| Particulars | Regrouped Indian GAAP | Adjustments | Ind AS | Foot Note No. |
|-------------------------------------|--------------------------|-------------|----------|------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 1,294.12 | - | 1,294.12 | |
| Capital work in progress | 66.45 | - | 66.45 | |
| Other Intangible assets | 2.03 | - | 2.03 | |
| Financial assets | | | | |
| Other Financial assets | 17.35 | - | 17.35 | |
| Other non-current assets | 42.48 | - | 42.48 | |
| | 1,422.42 | - | 1,422.42 | |
| Current assets | | | | |
| Inventories | 16.31 | - | 16.31 | |
| Financial assets | | | | |
| Trade receivables | 53.41 | - | 53.41 | |
| Cash and cash equivalents | 54.87 | - | 54.87 | |
| Other bank balances | - | - | | |
| Loans | 20.52 | - | 20.52 | |
| Other current assets | 126.62 | (104.58) | 22.04 | 1 |
| | 271.74 | (104.58) | 167.16 | |
| Total assets | 1,694.17 | (104.58) | 1,589.58 | |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 911.32 | - | 911.32 | |
| Other equity | 347.73 | - | 347.73 | |
| Total equity | 1,259.05 | - | 1,259.05 | |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 8.10 | - | 8.10 | |
| Provisions | 11.95 | - | 11.95 | |
| Deferred tax liabilities (Net) | 125.49 | (104.58) | 20.91 | 1 |
| | 145.54 | (104.58) | 40.96 | |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 170.00 | - | 170.00 | |
| Trade payables | 47.87 | - | 47.87 | |
| Other financial liabilities | 48.47 | - | 48.47 | |
| Other current liabilities | 22.95 | - | 22.95 | |
| Provisions | 0.29 | - | 0.29 | |
| | 289.58 | - | 289.58 | |
| Total liabilities | 435.12 | (104.58) | 330.54 | |
| Total equity and liabilities | 1,694.17 | (104.58) | 1,589.58 | |

HOWARD HOTELS LIMITED

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017

| Note No. | Particulars | 1st April, 2016 | 31st March, 2017 |
|----------|--|-----------------|------------------|
| 1 | Under Ind AS, MAT Credit represents a deferred tax and is to be measured at the amount of credit available from tax authorities. | (104.58) | (104.58) |
| | Total | (104.58) | (104.58) |

42 RESERVE RECONCILIATION

| Reserves & Surplus | 1st April, 2016 | 31st March, 2017 |
|----------------------|-----------------|------------------|
| As per IGAAP | 350.73 | 347.73 |
| Impact of Ind AS | - | - |
| As per Ind AS | 350.73 | 347.73 |

43 PROFIT/ (LOSS) RECONCILIATION 31 MARCH 2017

| Nature of Adjustment | For the year ended March 31, 2017 |
|--|--------------------------------------|
| Profit/ (Loss) as per IGAAP | (3.00) |
| Employee Benefits - Remeasurement of Defined Benefit Plans | (0.73) |
| Deferred tax on above adjustments | 0.22 |
| Profit/ (Loss) as per Ind AS | (3.51) |

The disclosure relating to Specified Bank Notes held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs is not applicable to the Company for the year ended March 31, 2018.

Figures are rounded off to nearest rupees in Lakhs.

As per our report of even date

For P. C. BINDAL & CO.

Chartered Accountants

(Firm Registration Number: 003824N)

Sd/-

(CA. Manushree Bindal)

Partner

M.No.517316

Place : Agra (U.P.)

Date : 29th May, 2018

For and on behalf of the Board

Sd/-

Nirankar Nath Mittal

Chairman & MD

DIN: 01533102

Sd/-

Nirvikar Nath Mittal

Whole Time Director

DIN: 00536470

Sd/-

Ekta Jain

Company Secretary

A 45987

Sd/-

Shri Kant Mittal

Whole Time Director and CFO

DIN: 01533368

HOWARD HOTELS LIMITED

CIN No.: L74899DL1989PLC03862

Registered Office: 20, Maurya Complex, B-28, Subhash Chowk, Laxmi Nagar, Delhi-110092

Corporate Office: Hotel Howard Plaza, fatehabad Road, Agra-282001

Phone No: 0562-4048600; Fax: 0562-4048666; Email: info@howardhotelsltd.com; Website: www.howardhotelsltd.com

ATTENDANCE CARD29th Annual General Meeting, September 7, 2018 at 10.00 A.M.

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

Name.....

Address.....

.....

We hereby record my/ our presence at the 29th Annual General Meeting of the Company being held on September 7, 2018 at Executive Club C/o Dolly Farms and Resorts Private Limited, 439, Village Shahorpur, 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****REQUEST TO SHAREHOLDERS TO REGISTER THEIR E-MAIL IDs**

The Ministry of Corporate Affairs and the Securities Exchange Board of India have, as part of their Green Initiative permitted the companies to send the annual report and the notices and oral communication to the shareholders in the electronic form. As per Rule 18 of the Companies (Management & Administration Rules), 2014, the company is permitted to send the notices of the meeting in electronic form and shall provide an advance opportunity at least once in a financial year, to the member to register his email address and changes therein.

Accordingly for receiving the Annual Report and other communication from the Company electronically, all the members who hold shares in physical form are requested to register their e-mail ids with the Register and Share Transfer Agents in the Format appended. Members holding shares in demat form may kindly furnish their details to their Depository Participant.

.....Please cut from here

To,
M/s Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028

Dear Sirs,

Sub: Registration of email-id for receiving Annual Reports, notices and other communication of HowardHotels Limited in electronic form.

With reference of email-id to the above the email particulars relating to my holding in the above company is furnished below, which may kindly be registered for the said purpose.

| | |
|-------------------------------|--|
| Name of the sole/First Holder | |
| Folio No. | |
| Email-id | |

Thanking You

Yours Faithfully

Signature

Place:

Date:

HOWARDHOTELS LIMITED

CIN No.: L74899DL1989PLC03862

Registered Office: 20, Maurya Complex, B-28, Subhash Chowk, Laxmi Nagar, Delhi-110092

Corporate Office: Hotel Howard Plaza, fatehabad Road, Agra-282001

Phone No: 0562-4048600; Fax: 0562-4048666; Email: info@howardhotelsltd.com; Website:www.howardhotelsltd.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|---------------------------|-------|
| Name of the Member (s): | |
| Registered Address: | |
| E-mail ID: | |
| Folio/DP ID-Client ID No. | |

I/We, being the member(s) of shares of the above named Company hereby appoint:

1) Name..... E-mail ID:.....
Address:.....
..... Signature:..... or failing him;

2) Name..... E-mail ID:.....
Address:.....
..... Signature:..... or failing him;

3) Name..... E-mail ID:.....
Address:.....
..... Signature:..... or failing him;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Friday September 7, 2018 at 10.00 A.M.. at The Executive Club, C/o Dolly Farms & Resorts Pvt. Ltd., 439, Village- Shahoorpur, P.O.-FatehpurBeri, New Delhi- 74 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | Optional* | |
|--------------------|---|-----------|---------|
| Ordinary Business: | | For | Against |
| 1 | To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018, together with the Reports of the Board of Directors' and Auditors' thereon; | | |
| 2 | Appoint a Director in place of Mr. Shree Kant Mittal, who retires by rotation and being eligible, seeks reappointment | | |
| 3 | To Appoint M/s BGG & Associates., New Delhi, Chartered Accountants as the Statutory Auditors of the Company for a term of five years commencing from the financial year 2018-19. | | |
| 4 | Special Business- To approve shifting of the registered office of the Company from the Union Territory of Delhi (National Capital Territory of Delhi) to the State of Uttar Pradesh. | | |

Signed this..... day of2018.

Affix Re.1
Revenue
Stamp

.....
Signature of the member.....
Signature of the proxy holder(s)

Notes:

- This form, in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
- * It is optional to indicate your preference. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

