



**ANNUAL REPORT
2011-2012**



JAMES HOTELS LIMITED

The logo for James Hotels Limited features a stylized white outline of a roof or a mountain peak above the company name. The name 'JAMES HOTELS LIMITED' is written in a bold, white, outlined, sans-serif font. The text is framed by two horizontal white lines, one above and one below.

James Hotels Limited

BOARD OF DIRECTORS

Mr. Haravtar Singh Arora, Chairman cum Managing Director
Mr. Ajit Pal Singh
Mr. Neeraj Mahindroo
Mr. Daljit Singh Sidhu
Mr. Amit Julka

AUDITORS

M/s Vasudeva & Associates
Chartered Accountant
SCO-32-35, First Floor,
Sector-8-C,
Chandigarh.

CHIEF ACCOUNTS OFFICER

Mr. Kuldip Singh

COMPANY SECRETARY

Ms. Puja Sharma

BANKERS

State Bank of India, Sector 17-B, Chandigarh-160017
Punjab National Bank, Sector 17-B, Chandigarh-160017
United Bank of India, Sector-17, Chandigarh.

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James Hotels Limited

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of James Hotels Limited will be held on Friday, the 28th day of September, 2012 at 10.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2012 and Balance Sheet as at that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Ajit Pal Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Vasudeva & Associates, Chartered Accountants, Chandigarh, the retiring Auditors, of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s Vasudeva & Associates, Chartered Accountants, Chandigarh, the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:
"RESOLVED THAT Mr. Daljit Singh Sidhu who was appointed as Additional Director of the Company on 29th October, 2011 pursuant to the provision of Section 260 of the Companies Act, 1956 and holds the office upto the date of the Annual General Meeting and in respect of the whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature to the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 5 To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:
"RESOLVED THAT Mr. Amit Julka who was appointed as Additional Director of the Company on 26th March, 2012 pursuant to the provision of Section 260 of the Companies Act, 1956 and holds the office upto the date of the Annual General Meeting and in respect of the whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature to the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board of Directors
For JAMES HOTELS LIMITED

Sd/-
(Puja Sharma)
Company Secretary

Date : 3rd August, 2012
Place : Chandigarh

James Hotels Limited

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/HERSELF. THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ENCLOSED HEREWITH.
2. The relevant explanatory statement relating to special business as required under Section 173(2) of the Companies Act, 1956 is annexed to this notice.
3. Members are requested to notify any change in their address, along with their PIN code quoting their Folio No. and relevant particulars.
4. Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least 10 days in advance to enable the management to keep the information, as far as possible ready at the meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 19th September, 2012 to 28th September, 2012 (both days inclusive).
6. The shareholders holding shares in identical order or names in more than one folio are requested to write to the Company's Share Department enclosing their share certificate.
7. The members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. The members are advised that no gift/gift coupons will be distributed at the Annual General Meeting of the Company.
9. Members/Proxies should bring the Attendance slip sent herewith duly filled in and signed and hand over the same at the entrance of the Hall.
10. The shareholders are requested to bring their copy of Annual Report at the Meeting.

James Hotels Limited

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

The following Explanatory Statement of the Company set out the material facts relating to the business under Item No. 4 & 5 mentioned in the accompanying Notice dated 3rd August 2012.

ITEM NO.4

The Board of Directors at their meeting held on 29th October, 2011 appointed Mr. Daljit Singh Sidhu as Additional Director of the Company to hold office upto conclusion of the 31st Annual General Meeting. The Company has received notice together with prescribed deposit, pursuant to section 257 of the Companies Act, 1956 proposing the candidature of Mr. Daljit Singh Sidhu.

The resolution in item 4 is recommended for approval of members. None of the Directors except Mr. Daljit Singh Sidhu is concerned or interested in the resolution.

ITEM NO.5

The Board of Directors at their meeting held on 26th March, 2012 appointed Mr. Amit Julka as Additional Director of the Company to hold office upto conclusion of the 31st Annual General Meeting. The Company has received notice together with prescribed deposit, pursuant to section 257 of the Companies Act, 1956 proposing the candidature of Mr. Amit Julka.

The resolution in item 5 is therefore recommended for approval of members. None of the Directors except Mr. Amit Julka is concerned or interested in the resolution.

DISCLOSURE PURSUANT TO CLAUSE 49 IV(G) OF THE LISTING AGREEMENT RELATING TO DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE ANNUAL GENERAL MEETING.

NAME OF THE DIRECTORS	Mr. Ajit Pal Singh	Mr. Daljit Singh Sidhu	Mr. Amit Julka
Date of Birth	21.08.1981	15.07.1970	01.02.1971
Date of Appointment	27.08.2010	29-10-2011	26-03-2012
Expertise in specific functional area	Information Technology	Business	Real Estate & Hospitality
Qualifications	M.B.A	Graduation	Graduation
Relationship between Director Inter-s	Nephew of Mr. Haravtar Singh Arora	NIL	NIL
Shareholding in the Company	410455	NIL	NIL
List of Public Companies in which outside Directorship held	NIL	3	NIL

**By order of the Board of Directors
For JAMES HOTELS LIMITED**

Sd/-

(Puja Sharma)
Company Secretary

Date : 3rd August, 2012
Place : Chandigarh

James Hotels Limited

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 31st Annual Report together with the Audited Profit And Loss Account Statement for the year ended on 31st March, 2012 & Balance Sheet as at 31st March, 2012.

PRESENT STATUS OF THE PROJECT

The hotels has started commercial operations w.e.f. April 9, 2012, with 82 nos let-table rooms along with Coffee Shop. Gradually, Indian & Chinese Restaurants have also been started along with Banqueting facilities. The balance 56 rooms Bars etc. are presently under various stages of Renovation & Completion. In the guest rooms located at Floor No. 5 & 6 the interior decoration work is pending. Similarly, in the Bar, furniture fittings, interior work is pending. It is expected that the hotel would be fully operational by 31st December, 2012.

FINANCIAL RESULTS

	2011-2012 (Rs. in Lakhs)	2010-2011 (Rs. in Lakhs)
Gross Operating Profit/(Loss) before Financial Charges & Depreciation	(4.73)	(3.98)
Depreciation	7.63	10.52
Financial Charges	0.00	0.00
Exceptional Items		
Profit on sale of Fixed Assets	3.67	0.00
Gross Operating Profit/(Loss) before tax	(8.69)	(14.50)
Provision for Income Tax	0.00	0.00
Surplus / (Deficit)	(8.69)	(14.50)

DIVIDEND:

During the year 2011-12 the Company has not started Commercial operations, hence your Directors have not recommended any dividend.

PUBLIC DEPOSITS:

The Company has not accepted any Public Deposits under section 58A of the Companies Act, 1956. Unsecured Loans from Promoters are exempt deposit in conformity with the applicable provisions of the Companies Act, 1956 & rules framed there under.

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DIRECTORS:

In accordance with the Companies Act., 1956 read with the Articles of Association of the Company, Mr. Ajit Pal Singh retires from the office of Directorship by rotation and being eligible, offers himself for re-appointment.

During the year Mr. Daljit Singh Sidhu & Mr. Barjesh Duvedi were appointed as Additional Directors on 29th October, 2011 and Mr. Amit Julka as Additional Directors on 26th March, 2012. However, Mr. Barjesh Duvedi resigned on 15th May, 2012 due to personal reasons. Further Mr. Surjit Singh Gulati, Mr. Nar Singh Bedi and Mr. Rajesh Saini resigned from Directorship of the Company.

Your Board recommends the above appointments/reappointments of Directors in the interest of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) In preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed and no material departure have been made from the same;
- ii) The appropriate accounting policies have been selected and applied 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 at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s) a detailed report on Management Discussion Analysis, Corporate Governance is included in the Annual Report. M/S Aseem Chhabra & Associates, Practising Company Secretary have certified the Company's compliance on the requirement of the Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the report on Corporate Governance.

MEANS OF COMMUNICATIONS:

The Company has been regularly providing Quarterly Financial Results to all the Stock Exchanges whereat the shares of the Company are listed, besides publishing the same in newspapers for the public and members of the Company.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS i.e. TRANSACTIONS OF THE COMPANY OF MATERIAL NATURE WITH ITS PROMOTERS, DIRECTORS OR THE MANAGEMENT, WHERE SUBSIDIARIES, RELATIVE ETC. THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE.

During the year under review, there had been no materially significant party transactions which may be considered to have potential conflict with the interests of the Company.

James Hotels Limited

DETAILS OF NON COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:

The Stock Exchange(s) Agreement Clauses, SEBI Guidelines and the applicable Rules / Regulations / Sections of the other Acts are being complied by the Company from time to time during the last three years. Rs. 3.60 Lakhs were paid to BSE as re-instatement fee to revoke the suspension of trading of securities.

PARTICULARS OF EMPLOYEES RULES, 1975:

There are no persons employed throughout or part of the financial year from whom information about the particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 need to be given.

AUDITORS' REMARKS:

The Auditor's Report and notes on accounts referred to in the Auditor's Report are self explanatory and exhaustive, therefore, do not call for any further comments.

AUDITORS:

M/s Vasudeva & Associates , Chartered Accountants, Chandigarh, the retiring Auditors of the Company retire at the ensuing Annual General meeting and being eligible offer themselves for re-appointment for financial year 2012-2013. The Company received a certificate from them as required under Section 224(1B) of the Companies Act, 1956. Your Board recommends their appointment for your approval.

LISTING WITH STOCK EXCHANGES:

The Company,s Securities are at present listed at Bombay, Delhi and Ludhiana Stock Exchange. Annual Listing fees have been paid to the Bombay Stock Exchange.

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT :

Particulars regarding Conservation of Energy, Technology Absorption, Research and Development as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not applicable to your Company.

The Particulars regarding the Foreign Exchange Earnings and Outgo under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given below

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FOREIGN EXCHANGE EARNINGS AND OUTGO:

Rs. (Lakhs)

	31st March, 2012	31st March, 2011
a) CIF Value if Imports	0.00	59.05
Air Conditioning Plant (Euros 11,624.84, US \$ 82,817.55, & GBP 18,383.75)		
- Purchase of Gym Equipments (US \$ 15,212.25)	6.83	0.00
Miscellaneous Fixed Assets (US Dollars \$ 9,150)	Nil	4.26
b) Expenditure in Foreign currency	Nil	Nil
- Foreign Travel		
Total	6.83	63.31

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the continued support and co-operation received from Chandigarh Administration, State Bank of India, Punjab National Bank, United Bank of India and to Executives, Staff Members of the Company for the devoted services rendered by them.

The Board of Directors are pleased to express their sincere thanks to all the investors, shareholders and stakeholders for the faith and confidence they have reposed in the Company.

**By order of the Board of Directors
For JAMES HOTELS LIMITED**

Sd/-

(Haravtar Singh Arora)

Chairman cum Managing Director

Date : 3rd August, 2012

Place : Chandigarh

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

Tourism industry in India is closely associated with other sectors as well. The associated industries in tourism include transportation, recreational activities, hospitality industry etc. Tourism industry in India also serves as an important platform for providing employment to many. Tourism industry in India has a major impact on the economic set up of the Company.

Indian tourism industry is anticipated to be contributing at least US\$16.3 billion which accounts to a total of approximately 5.4% in the year 2014.

Tourism industry in India provides ample scope for the recruitment of individuals directly in the travel and tourism industry or in other sectors related to the travel and tourism industry. Employment opportunities due to travel and tourism is expected to provide livelihood to as many as 12,441,220 individuals.

The contribution of the tourism industry in India to the GDP or the gross domestic production can be reckoned to be approximately US\$ 25.8 billion in the year 2014.

Indian tourism industry is attaining great heights in this competitive market India boasts of a rich heritage and can be one of address for the holidays markers. Ranging from seas, mountains, deserts, temples, mosques, churches, places and other historical places, to the exquisite cuisine from different areas. The country make, India one of the hot spots for travelling.

HOTEL INDUSTRY ANALYSIS OF CHANDIGARH

Currently, the hospitality market in Chandigarh is at a very nascent stage. Till last year the only branded hotels were Taj, Sector 17, Chandigarh, KC Royal Park and Golden Tulip, Panchkula started operations in the tricity, while there are number of upcoming hotels which are at various stages of completion.

Today, the unbranded segment constitute more than 70% of the total room inventory in tricity.

Most of the hotels are concentrated in the city centre in Sector 17, near the Secondary Business District (SBD) in Sector 34, Sector 35 and Sector 43 and adjoining cities of Panchkula and Zirakpur. Due to strict building by loss with strict regulation for facade, the room inventory per hotels is very small and at times also hampers the image of the hotels brand. With prohibitive land costs and its extreme scarcity around city centre and SBD's, numbers of budget & misscale hotels projects have been planned in Industrial Area, Phase I & II. Eyeing on the strong economic fundamentals of the city and upcoming international air connectivity, number of branded hotels. in up/ mid scale and budget segments are coming up in Chandigarh. Overall, Chandigarh and its neighbouring towns of Mohali, Panchkula and Chandigarh have total lodging capacity of about 2500 rooms (excluding low end hotels and guest houses).

PRESENT STATUS

The hotels has started commercial operations w.e.f. April 9, 2012, with 82 nos let-table rooms along with Coffee Shop. Gradually, Indian & Chinese Restaurants have also been started along with Banqueting facilities. The balance 56 rooms Bars etc. are presently under various stages of Renovation & Completion. In the guest rooms located at Floor No. 5 & 6 the interior decoration work is pending. Similarly, in the Bar, furniture fittings, interior work is pending. It is expected that the hotel would be fully operational by 31st December, 2012.

