

ANNUAL REPORT

1998-1999

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JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

Managing Director
S. Surjit Singh

Directors
Shri A.D. Gandhi, FCA
Shri Davinder Pal Singh
Smt. Manjit Kaur

Auditors
M/s P.K. Vasudeva & Co.
Chartered Accountants
2, Church Square, Sector 18-A,
Chandigarh

Bankers
Punjab & Singh Bank

Registered Office and Hotel Site
Block 10, Sector 17, Chandigarh

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JAMES HOTELS LIMITED**NOTICE**

NOTICE is hereby given that 18th Annual General Meeting of the members of the Company will be held on Thursday the 30th day of September 1999, at 10.00 A.M. at Registered Office, Block 10, Sector 17, Chandigarh, to transact the following business :

ORDINARY BUSINESS**1. ADOPTION OF ANNUAL ACCOUNTS**

To receive, consider and adopt the Annual Accounts of the Company for the financial year ended on 31st March, 1999, together with the Director's Report and Auditors Report thereon.

2. RE-APPOINTMENT OF MR. DAVINDER PAL SINGH AS DIRECTOR

To appoint a Director in place Mr. Davinder Pal Singh who retires by rotation, but being eligible, offers himself for re-appointment.

3. APPOINTMENT OF AUDITORS

To appoint Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS**4. ISSUE AND ALLOTMENT OF EQUITY SHARES**

To consider and, if thought fit to pass with or without modification(s) the following as a SPECIAL RESOLUTION :

THAT in supersession of the resolution passed at the 17th Annual General Meeting of the Company held on 30th day of September, 1998 and pursuant to the provisions of Section 81(1)-(a) and 81(1A)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and subject to such other applicable approvals, consents, sanctions and permissions of Government of India, Reserve Bank of India, IFCI, the lead financial institution, Banks, Merchant Bankers, Securities and Exchange Board of India (SEBI), Stock Exchange(s) as may be necessary, and subject to such terms and conditions and modifications which may be imposed by them while granting such approvals / consents / permissions and as may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board" which expression shall include any committee(s) of the Board for the time being, exercising the powers conferred on the Board) the consent of the Company be and is hereby accorded to the Board of Directors to create, issue, offer and allot in accordance with the applicable guidelines / regulations now or at any time hereafter either to the existing members by a Right Offer and / or to others including promoters, their relatives, friends & associate, associated companies, resident / non resident Indians, Indian / Foreign bodies corporate / FII, Central / State Financial / Investment Institutions etc. by private placement and/or through a prospectus and/or preferential/firm allotment and / or in any other form or manner and / or partly in one form and partly in another, equity shares / non voting shares and / or Convertible preference shares whether cumulative or not and / or Fully Convertible Debentures and / or Partly Convertible Debentures that may be convertible compulsorily and automatically or optionally and / or partly or fully paid warrants entitling the holder to exercise an option for equity shares and / or mere warrants / any other financial instrument representing, to or convertible into equity shares (hereinafter collectively referred to as "The Securities").

FURTHER THAT the aggregate amount of securities which may be made at a time or in tranches, in terms of this resolution, shall not exceed Rs. 4.50 Crores in the aggregate to raise the resources for capital expenditure, working capital funding, to meet the shortfall in the implementation of the project, as may be determined by the Board.

FURTHER THAT for giving effect to this proposal, the board be and is hereby authorised to:-

- a) Decide and fix the terms and conditions including the premium, interest rates, terms of conversion, other conditions, including the ranking and other rights attached to such securities, the person to whom these securities may be issued and to attach any special benefits/rights/ privileges to one or more of such securities and if thought fit, to vary/modify the same;
- b) Finalise and prescribe the form of prospectus/offer document, the issue price of the securities, terms of payment, basis and allotment in accordance with the subsisting guidelines, rules regulations etc. and to decide and carry out any alteration/modification to the above, including the number, value of securities, size of any issue or as suggested/recommended by any of the concerned authorities/agencies or otherwise as the Board may deem fit without requiring any further approval of the members;

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- c) Issue and allot such number of equity shares at such times as may be required on the conversion of or exercise of option attached to any instrument issued in terms of this resolution as per the respective terms of issue or as per the conditions prevalent ;
- d) Dispose of the unsubscribed portion of the securities to such person(s) in such manner and on such terms as the Board may deem fit having regard to any restrictions in this regard;
- e) Enter into and execute all agreements with Managers / Underwriters / Brokers and other intermediaries / agencies as may be required and to remunerate them by way of fees, commissions, brokerage or otherwise ;

FURTHER THAT the voting rights in respect of equity / Convertible preference Shares issued shall be in accordance with the applicable laws / guidelines and the terms and conditions of the Articles of Associations of the Company at such time.

FURTHER THAT for the purpose of giving effect to any issue or allotment of the securities, the Board be and is hereby authorised to do all such acts, deeds, and things as the Board may consider necessary or expedient and to settle any question, remove any difficulty or doubt that may arise from time to time in respect of the issue of all or any of the securities."

By order of the Board
for JAMES HOTELS LIMITED

PLACE : CHANDIGARH
DATE : 4TH SEPTEMBER, 1999

SD/-
(SURJIT SINGH)
MANAGING DIRECTOR

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NOTES :

1. A MEMBER ENTITLED AND 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 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.
2. The relevant explanatory statement, pursuant to Section 173(2) of the Companies, Act, 1956, in respect of special business, is annexed herewith.
3. The members are requested to notify any change in their address alongwith their pin code quoting their Folio No.
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 mangement to keep the information, as far as possible ready at the meeting.
5. The Register of Members and Share Tansfer Books of the Company will remain closed from 17th September, 1999 to 30th September, 1999 (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 Deptt. enclosing their share certificate to enabling the Company to consolidate their holding in one Folio.
7. The Members are advised that no gift/gift coupons will be distributed at the Annual General Meeting of the Company.
8. 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.
9. The shareholders are requested to bring their copy of Annual Report at the Meeting.

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EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

Your Company intends to issue securities for an aggregate value not exceeding Rs. 4.5 Crores for the purpose of capital expenditure, working capital funding or meeting the shortfall in the revised project cost, which is due to increase in pre-operative expenses mainly on the account of the Central Financial Institutional interest and for other general corporate purposes on such terms and conditions as the Board of Directors may deem fit for the interest of the Company.

The possible sources conceived by the Directors are to raise equity capital by way of preferential allotment to the promoters, their relatives, friends and associates and other as may be considered desirable by the Board by way of issue of equity shares/warrants and / or by issue of Right shares, under the applicable provisions of the Companies Act, 1956, SEBI, Stock Exchange(s), Financial Institutions and other applicable guidelines in this respect.

As the pricing, as well the date of issue cannot be decided at this stage, it is not possible to state the instrument price, type or the exact number of securities to be issued and therefore an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms in consultation with and subject to the approval of the competent authorities. The resolution, if passed, will enable the Board on behalf of the Company to issue and allot, if and when necessary, the securities as may be permitted from time to time.

Under the provisions of section 81(1)(a) and 81(1A)(a) and other applicable provisions of the Companies Act, 1956, if any, consent of the members is sought to authorise the Board of Directors to issue the said securities in the manner set out in the Resolution. The Directors recommend this resolution for approval of the Shareholders.

MEMORANDUM OF INTEREST

The Directors may be deemed to be concerned or interested in the Resolution to the extent to the securities which may be offered to them on rights / preferential or other basis and applied for and allotted to them.

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JAMES HOTELS LIMITED**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors hereby present their 18th Annual Report and the audited accounts for the year ended 31st March, 1999.

PROJECT IMPLEMENTATION :

Your Director's hereby report that the company is suffering financial crises to complete the project due to non availability of loan and by not bringing right issue due to adverse market conditions. Coordinates during the last five years. Yours Director's are making sincere efforts to raise money from Scheduled Banks, Foreign institutional investors by way of term loan/External Commercial borrowing or raising funds from capital market. Your Director's are considering to put the funds in the company by way of allotment of preferential equity shares on private placement basis to themselves their friends and associates for early completion of the project. The proposal submitted as on 6th January, 99 for our time settlement of institutional dues was accepted by the lead financial institution IFCI vide its letter No. CHRO/H-8/99/1540 dated 23/2/99

FINANCIAL RESULTS

Gross Operating Profit/(Loss) before Interest & Depreciation		Rs. in lacs (2.80)
Less :		
Depreciation	20.88	
Interest	51.40	
Miscellaneous Exp. W/off	1.62	
Income Tax-Earlier years	0.81	74.71
Profit (Loss) before Tax		(77.51)
Less : Provision for Tax		—
Net Profit (Loss) after Tax		(77.51)

OPERATIONS :

During the current year of commercial operation, its operations continued to be temporarily suspended due to high field running cost and lack of lettable capacity

FIXED DEPOSITS

In the current financial year, no Public Deposits have been accepted by the Company U/S 58A of the Company Act, 1956.

DIRECTORS

Mr. Davinder Pal Singh, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re appointment.

PARTICULARS OF EMPLOYEES

Information pursuant to section 217(2A) of the Companies Act, 1956 as amended read with Companies (Particulars of Employees) Rules, 1975 are not required to be furnished, there being no employee drawing salary beyond the limit prescribed.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Particulars regarding conservation of energy, technology absorption, foreign exchange earning and out go 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, are not applicable. However Nil particulars are attached.

AUDITORS REMARKS

With reference to the Auditor's remarks as contained in their report, the relevant reports annexed to the accounts vide schedule is self explanatory.