



ANNUAL REPORT

2000S-2000Y

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JAMES HOTELS LIMITED

James Hotels Limited

Board Of Directors

Sh Haravtar Singh Arora, Chairman
 Sh Gurmeet Singh,
 Sh Rajesh Saini,
 Sh Nar Singh Bedi
 Sh Niraj Mohindroo,
 Sh. Surjit Singh Gulati,
 Sh Ajmair Singh Bhullar, Managing Director,

Auditors

M/s Vasudava & Associates
 Chartered Accounts
 SCO 32-35, First Floor
 Sector 8-C, Chandigarh

Chief Accounts Officer

Mr. Kuldip Singh

Company Secretary

Ms. Shaveta Sharma

Bankers

State Bank of India, SME Branch, Sector 17-B, Chandigarh-160017

Registered Office & Hotel Site

Block 10, Sector 17-A, Chandigarh-160 017

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James Hotels Limited

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of James Hotels Limited will be held on Wednesday, the 30th day of September, 2009 at 11.00 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, 2009 and Balance Sheet as on that date of the Company, together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Niraj Mohindroo, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh Saini, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint M/s Vasudeva & Associates, Chartered Accountants, Chandigarh, the retiring auditors, of the Company for the year 2009-2010 to hold office from the conclusion of this Annual General Meeting till 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

5. APPOINTMENT OF MANAGING DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Article 172 of the Articles of Association of the Company and Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents, approvals and permissions as may be needed, Shri Ajmair Singh Bhullar be and is hereby appointed as the Managing Director of the Company, not liable to retire by rotation for a period of five years with effect from the 1st April, 2009, at a remuneration and on the terms and conditions as may be decided by the Board of Directors from time to time."

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

Sd/-

(Ajmair Singh Bhullar)
Managing Director

PLACE : CHANDIGARH
DATE : 22nd July, 2009

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 COM ANY. 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, alongwith 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 have remained closed from 21st September, 2009 to 30th September, 2009 (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 to 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.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 2**

Mr. Niraj Mohindroo joined the Board of Directors of the Company on 20th December, 2005 as an Additional Director of the Company and he was appointed as a regular Director w.e.f. 29th September, 2006 by the Shareholders of the Company in their Annual General Meeting. Mr. Niraj Mohindroo is an independent director of the Company having rich experience in real estate business.

ITEM NO. 3

Mr. Rajesh Saini joined the Board of Directors of the Company on 20th December, 2005 as an Additional Director of the Company and he was appointed as a regular Director w.e.f. 29th September, 2006 by the Shareholders of the Company in their Annual General Meeting. Mr. Rajesh Saini is an independent director of the Company having rich experience in Financial Accounting.

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ITEM NO.5

Mr. Ajmair Singh Bhullar is a Non Resident Indian (NRI) joined the Board of Directors of the Company w.e.f. 4th August, 2006 and was appointed as a regular director w. e. f. 29th September, 2006 by the Shareholders of the Company in their Annual General Meeting. Considering his substantial contribution to the progress and development of the company, the Board of Directors felt that he should lead the company for smooth functioning. Accordingly it was resolved in the meeting of the Board of Directors held on 31.03.2009 to appoint Mr. Ajmair Singh Bhullar as the Managing Director of the company w.e.f 01.04.2009 not liable to retire by rotation. He is a promoter Director of the Company having rich experience in manufacturing & trading business .

The Board of Directors recommends the passing of the resolution regarding appointment of Mr. Ajmair Singh Bhullar, as a Managing Director of the company. The Board recommends the resolution set out under item No.5 for approval of members.

None of the Director except Mr. Ajmair Singh Bhullar are Interested in the above resolution.

APPLICABLE DETAILS OF DIRECTORS IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

NAME OF THE DIRECTOR	Niraj Mohindroo	Mr. Rajesh Saini	Mr. Ajmair Singh Bhullar
DATE OF BIRTH	24-07-1960	16-06-1954	23-12-1948
DATE OF APPOINTMENT	20-12-2005	20-12-2005	04-08-2006
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Real Estate Accounts & Finance	Financial Accounting	Manufacturing & Trading
QUALIFICATIONS	B.COM	B.A.	B.A.
RELATIONSHIP BETWEEN DIRECTOR INTER-SE	NIL	NIL	NIL
SHAREHOLDING IN THE COMPANY	NIL	NIL	2093170
LIST OF PUBLIC COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD	NIL	NIL	NIL

PLACE : CHANDIGARH
DATE: 22nd July,2009

By order of the Board of Directors
for JAMES HOTELS LIMITED
Sd/-
(Ajmair Singh Bhullar)
Managing Director

James Hotels Limited

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Eighth Annual report together with the audited Profit And Loss Account Statement for the year ended on 31st March, 2009 and Balance Sheet as at 31st March, 2009.

STATUS OF PROJECT :

The work of completion of the project has been going on since June 2007 after restoration of the site on 2nd May, 2007. The Company was granted partial completion cum occupation certificate on 22nd May, 2008. However, the same was withdrawn on 23rd May, 2008 and the hotel site of the company was resumed by the Estate Officer on 23rd May, 2008. The Company had filed a writ petition in the Hon'ble High Court of Punjab & Haryana at Chandigarh, on 24th February 2009 against the orders dated 23rd of May, 2008. The Hon'ble High Court was pleased to quash the order of Estate Officer dated 23rd of May 2008, the copy of the same was received on 24th March, 2009, in which Hon'ble High Court has given eleven and a half month time period to complete the project from the date of receiving of copy of order. Work is in full swing as the civil construction work is completed upto 90% and interior work is also completed upto 70%, the main plant & machinery/equipment have already been received at site & are under installation.

The Directors are hopeful to complete the project within the prescribed time period given by the Hon'ble High Court.

FINANCIAL RESULTS:-

	2008-2009 (Rs. in Lakhs)	2007-2008 (Rs. in Lakhs)
Gross Operating Profit/(Loss) before Financial Charges & Depreciation	(1.65)	(1.75)
Depreciation	9.54	1.64
Financial Charges	----	0.14
Gross Operating Profit/(Loss) before Tax	(11.20)	(3.53)
Provision for Income Tax	----	0.22
Provision for Fringe Benefit Tax	0.66	----
Surplus/(Deficit)	(11.86)	(3.75)

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As the Company has not wiped off the accumulated losses so far, your Directors have not recommended any dividend.

FIXED DEPOSITS:

The Company has not accepted any Fixed deposits under section 58A of the Companies Act, 1956. Unsecured Loans from directors are exempt deposit in conformity with the applicable provisions of the Companies Act, 1956 & rules framed thereunder.

DIRECTORS:

Mr Niraj Mohindroo & Mr Rajesh Saini retires from the office of Directorship by rotation and being eligible, offer themselves for re-appointment. Your Board recommends their re-appointment for your approval.

Mr. Ajmair Singh Bhullar has been appointed as the Managing Director of the company w.e.f. 01-04-2009

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In preparation of the annual accounts for the financial year ended 31st March, 2009, 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 record 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 Corporate Governance is included in the Annual Report. The Auditors' of the Company 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.

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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 consider to have potential conflict with the interests of the Company.

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. SEBI imposed a penalty of Rs.2.50 lacs on account of Non-Compliances of SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 1997, pertaining to pervious years which has been paid and with that no pending non-compliance under SEBI Guidelines.

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 2009-2010. The Company received a certificate from them as required under Section 224(1B) of the Companies Act, 1956. Your Board recommend their appointment for your approval.

LISTING WITH STOCK EXCHANGES:

The Company's securities are at present listed at Bombay, Delhi and Ludhiana Stock Exchange. However the listing on Bombay Stock Exchange remained suspended during the financial year ended on 31st March, 2009 due to previous non-compliances. Request for revocation has been made since 2006. As on date Company has complied with all the compliances of the exchange and management is hopeful to get the revocation of

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suspension of securities on the Bombay Stock Exchange. Annual Listing fees have been paid to all the Stock Exchanges.

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

Foreign Exchange Earnings and Outgo:

	31 st March, 2009	31 st March, 2008
a) CIF Value of Imports		
Air Conditioning Plant	223.07	85.02
(US \$ 390804.13, Sin\$ 35701.78 & Euros 79437.64)		
b) Expenditure in Foreign currency		
Foreign Travel	Nil	0.61
Total	223.07	85.63

ACKNOWLEDGEMENT:

Yours Directors place on record their sincere thanks to Chandigarh Administration, State Bank of India for their continuous help and co-operation and to the Investors and Shareholders for the utmost faith reposed by them to the Company. The Board of Directors of your Company are pleased to place on record their sincere appreciation for the devoted services rendered by the Executives, Staff Members of the Company.

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

PLACE : CHANDIGARH
DATE : 22nd July, 2009

Sd/-
Gurmeet Singh
(Director)

Sd/-
Ajmair Singh Bhullar
(Managing Director)

James Hotels Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Development:****Tourism in India**

Tourism industry in India is being utilised as a powerful tool to facilitate international presence. According to the Travel & Tourism Competitiveness Report 2009 brought out by World Economic Forum, India is ranked 11th in the Asia- Pacific region and 62nd overall in a list of 133 assessed countries in 2008, up three places since 2007. The contribution of travel and tourism to gross domestic product (GDP) is expected to be at 6.0 percent (US\$ 67.3 billion) in 2009 rising to US\$ 187.3 billion by 2019.

According to the Tourism Ministry of India, foreign tourist arrivals (FTAs) during June 2009 were 341,000 as compared to FTAs of 340,000 during the month of June 2008. To accelerate the growth of foreign tourist the ministry is planning to develop three niche products-wellness tourism, caravan tourism and helipad tourism this year.

Hospitality Sector

The hospitality sector is expected to rise to US\$ 275 billion in the next 10 years. The domestic hospitality sector is expected to see investments of over US\$ 11 billion in the next two years. According to the world travel and tourism council, the growth in the hospitality industry is pegged at 15% every year, and with 2,00,000 rooms (both luxury and budget) needed in the country, the segment is poised for a stupendous growth.

In India the liberalization of Indian economy in 1991 and the integration of India into the Global Economy have given impetus to business travelers and tourist travelers. As a result the hotel industry in India has recorded a healthy growth since 1991.

STATUS OF PROJECT :

The work of completion of the project has been going on since June 2007 after restoration of the site on 2nd May, 2007. The Company was granted partial completion cum occupation certificate on 22nd May, 2008. However, the same was withdrawn on 23rd May, 2008 and the hotel site of the company was resumed by the Estate Officer on 23rd May, 2008. The Company had filed a writ petition in the Hon'ble High Court of Punjab & Haryana at Chandigarh, on 24th Feb. 2009 against the orders dated 23rd of May, 2008. The Hon'ble High Court was pleased to quash the order of Estate Officer dated 23rd of May 2008, the copy of the same was received on 24th March, 2009, in which Hon'ble High Court has given eleven and a half month time period to complete the project from the date of receiving of copy of order. Work is in full swing as the civil construction work is completed upto 90% and interior work is also completed upto 70%, the main plant & machinery/equipment have already been received at site & are under installation.