



**ANNUAL REPORT
2010-2011**



JAMES HOTELS LIMITED

James Hotels Limited

BOARD OF DIRECTORS

Mr. Haravtar Singh Arora, Chairman cum Managing Director

Mr. Neeraj Mohindroo

Mr. Nar Singh Bedi

Mr. Rajesh Saini

Mr. Ajit Pal Singh

AUDITORS

M/s Vasudeva & Associates

Chartered Accountant

SCO-32-35, First Floor,

Sector-8-C,

Chandigarh.

MANAGER ACCOUNTS

Mr. Kuldip Singh

COMPANY SECRETARY

Ms. Sunita Arora

BANKERS

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

Punjab National Bank, Sector 17-B, Chandigarh-160017

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James Hotels Limited

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of James Hotels Limited will be held on Friday, the 30th day of September, 2011 at 09.00 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, 2011 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. Neeraj Mohindroo, 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 for the year 2011-2012 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.

By order of the Board of Directors
For JAMES HOTELS LIMITED

Sd/-
(Sunita Arora)
Company Secretary

Date : 28th August, 2011
Place : Chandigarh

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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, 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 shall remain closed from 21st September, 2011 to 30th September, 2011 (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

DISCLOSURE PURSUANT TO CLAUSE 49 IV(G) OF THE LISTING AGREEMENT

NAME OF THE DIRECTORS	Mr. NEERAJ MOHINDROO
Date of Birth	24-07-1960
Date of Appointment	20-12-2005
Expertise in specific functional area	REAL ESTATE ACCOUNTS AND FINANCE
Qualifications	B.COM.
Relationship between Director Inter-se	NIL
Shareholding in the Company	NIL
List of Public Companies in which outside Directorship held	NIL

By order of the Board of Directors
For JAMES HOTELS LIMITED

Sd/-
(Sunita Arora)

Company Secretary

Dated : 18th June, 2011
Place : Chandigarh

James Hotels Limited

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 30th Annual report together with the audited Profit And Loss Account Statement for the year ended on 31st March, 2011 and Balance Sheet as at 31st March, 2011.

STATUS OF PROJECT :

The Company has already obtained all the approvals to start commercial operations. The Company has already completed the civil work, all the equipments and machinery is at site and Furniture & Fixtures is also complete except furniture in respect of 5th and 6th Floor. The Company has already recruited 130 number of employees including General Manager, Chief Engineer and HRD Manager. Presently, all the staff members are under going training. The Company has already receive occupation certificate from the Chandigarh Administration to run the hotel project. The management is hopeful to start the commercial operations by end of November, 2011.

FINANCIAL RESULTS

	2010-2011 (Rs. in Lakhs)	2009-2010 (Rs. in Lakhs)
Gross Operating Profit/(Loss) before Financial Charges & Depreciation	(3.98)	(5.01)
Depreciation	10.52	8.56
Financial Charges	0.00	0.00
Gross Operating Profit/(Loss) before tax	(14.50)	(13.57)
Provision for Income Tax	0.00	0.00
Surplus / (Deficit)	(14.50)	(13.57)

DIVIDEND:

As the company has not wiped of 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 there under.

James Hotels Limited

DIRECTORS:

Mr Neeraj Mohindroo retires from the office of Directorship by rotation and being eligible, offers himself for re-appointment. Your Board recommends his re-appointment for your approval.

Mr. Surjit Singh Gulati resigned from the Directorship of the Company. The Board forwarded him huge appreciation for his contributions to 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, 2011, 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 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.

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.

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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.

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 2011-2012. 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. As on the date Company has complied with all the compliances of the Exchange. Annual Listing fees have been paid to the Bombay Stock Exchange. Moreover, the company has filed an application with Ludhiana Stock Exchange Association Ltd. for delisting of its securities.

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, 2011	31st March, 2010
a) CIF Value of Imports	59.05	15.30
Air Conditioning Plant (Euros 11,624.84, US \$ 82,817.55, & GBP 18,383.75)		
Miscellaneous Fixed Assets (US Dollars \$ 9,150)	4.26	Nil
b) Expenditure in Foreign currency	Nil	Nil
- Foreign Travel		
Total	63.31	15.30

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 and to Executives, Staff Members of the Company for the devoted services rendered by them.

Your Directors take this opportunity to express their sincere thanks to all the investors and shareholders 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 : 28th August, 2011
PLACE : Chandigarh

James Hotels Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

The Tourism sector of Indian economy is at present experiencing a huge growth. As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world's attractive destinations. The hotel and tourism industry's contribution to the Indian economy by way of foreign direct investments (FDI) inflows were pegged at US\$ 2.1 billion from April 2000 to March 2010, according to the Department of Industrial Policy and Promotion (DIPP).

HOSPITALITY SECTOR

'Hotels in India' have supply of 110,000 rooms. According to the tourism ministry, 4.4 million tourists visited India last year and at current trend, demand will soar to 10 million in 2010 to accommodate 350 million domestic travelers.' Hotels in India has a shortage of 150,000 rooms fueling hotel room rates across India. With tremendous pull of opportunity, India is a destination for hotel chains looking for growth. Five-star hotels in metro cities allot same room, more than once a day to different guests, receiving almost 24-hour rates from both guests against 6-8 hours usage. With demand-supply disparity, 'Hotel India' room rates are most likely to rise 25% annually and occupancy to rise by 80%, over the next two years. 'Hotel Industry in India' is eroding its competitiveness as a cost effective destination.

India's hotel pipeline is the second largest in the Asia-Pacific region according to Jan Smits, Regional Managing Director, Inter Continental Hotels Group (IHG) Asia. He added that the Indian hospitality industry is projected to grow at a rate of 8.8 per cent during 2007-16, placing India as the second-fastest growing tourism market in the world.

STATUS OF PROJECT :

The Company has already obtained all the approvals to start commercial operations. The Company has already completed the civil work, all the equipments and machinery is at site and Furniture & Fixtures is also complete except furniture in respect of 5th and 6th Floor. The Company has already recruited 130 number of employees including General Manager, Chief Engineer and HRD Manager. Presently, all the staff members are under going training. The Company has already receive occupation certificate from the Chandigarh Administration to run the hotel project. The management is hopeful to start the commercial operations by end of November, 2011.

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The Directors expect the hotel to be in operation by the end of this year.

FINANCIAL PERFORMANCE :

	(Rs. in lakhs) 2010-2011	(Rs. in Lakhs) 2009-10
Income	0.00	0.00 0
Total Income	0.00	0.00
Total Expenditure	3.98	5.01
Depreciation	10.52	8.56
Gross Operating Profit/(Loss) before tax	(14.50)	(13.57)
Provision for Income Tax	0.00	0.00
Surplus/(Deficit)	(14.50)	(13.57)

RESERVE & SURPLUS :

During the year under review there has been no changes in the capital reserve of the Company which stands as Rs.6,01,000/-.

SECURED LOANS:

The Company has drawn loans amounting to Rs. 2785.58 Lakhs from Punjab National Bank during the financial year ended on 31st March, 2011 against the sanctioned loan of Rs. 2800.00 lakhs. Further Company has repaid one instalment of Rs. 40.00 Lakhs to SBI during the Financial Year.

FIXED ASSETS NET BLOCK :

The Net Block of Fixed Assets including Capital Work in Progress increased from 9624.04 Lakhs to Rs. 13381.00 Lakhs during the financial year ended on 31st March, 2011.

INVESTMENTS :

The Company has not made any investments during the year.

NET CURRENT ASSETS :

The Net Current Assets has increased from Rs. 65.40 Lakhs to Rs.149.43 Lakhs during the current Financial year ended on 31st March, 2011.

RESULTS OF OPERATIONS :

The Company has no income during the year from Hotel operations. The loss for the year is Rs.14.50 Lakhs as compared to loss of Rs. 13.57 Lakhs in the previous year. Provisions for financial charges remain NIL. The Company cannot recommend dividend due to losses.

OPPORTUNITIES AND THREATS :

Due to the increasing demand of hotels in Chandigarh, business opportunities for our Company are strong in future.

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE :

The Company is engaged in the business of hotels and restaurants, which is its only segment. There is no identifiable secondary segment. However, there were no commercial operations of Hotel & Restaurant during the current year.

OUTLOOK FOR 2011-12 :

The Directors are hopeful to start operations of the Hotel by the end of November, 2011. The Company is cautiously optimistic about the month on month growth prospectus for the current financial year.

RISKS AND CONCERNS :

As the Company is optimistic to set up the operations of the Hotel by the end of November, 2011 but there is risk of competition from already established Hotels in and around City and to make its own place in the growing competition.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

James Hotels Limited has adequate system of internal controls to ensure all assets are safeguarded and protected and loss from unauthorised use or disposing and that transactions are authorised, recorded and reported correctly.

The internal control is supplemented by documented policies, guidelines and procedure and an extensive programme of internal and external audit and periodic review by management. The system is designed to insure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability for assets.

Internal Audit findings and recommendations are reviewed by the top management and Audit Committee of the Board. The Committee review the quarterly, half yearly and annual financial statements before these are submitted by the Board and ensures compliance of internal control system.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS :

Industrial relations with the employees were cordial. James Hotels Limited Company's key business strategy is to empower every employee to be a leader in its stride towards total quality.

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CORPORATE GOVERNANCE REPORT:

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges).

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability & commitment. Keeping the same in mind, your Company has always committed itself to the philosophy of good Corporate Governance in all its dealings, utmost integrity in its conduct and in compliance with the highest standards of corporate values & ethics.

2. BOARD OF DIRECTORS:

a) Composition of the Board:

The Board consisted of seven Directors as on 31st March, 2011. The Board consisted of three Promoter Directors and four Non Executive Independent Directors as on 31st March, 2011, details of which are given in Table-1 below.

b) Number of Board Meetings held and date on which held:

The Board of Directors met eight times during the financial year 2010-11. The Board Meetings were held as on 9th April, 2010, 4th May, 2010, 27th May, 2010, 2nd August, 2010, 27th August, 2010, 29th October, 2010, 24th January, 2011 and 10th March, 2011.

c) Director's Attendance Record and Directorship held:

See Table-1 for details:

Name of Director	Category	No. of Board Meetings		Whether attended Last AGM	Directorship in public Companies in India	Committee/ Membership incorporated
		Held	Attended			
Mr. Haravtar Singh Arora Bhullar	Promoter & Non-Executive Director	8	8	YES	-	1 (Member)
Mr. Surjit Singh Gulati	Non-Executive & Independent Director	8	0	No	-	-
Mr. Nar Singh	Non-Executive & Independent Director	8	6	YES	-	2 (Member)
Mr. Niraj Mohindroo	Non-Executive & Independent Director	8	6	YES	-	1 (Member)/ 1 (Chairman)
Mr. Rajesh Saini	Non-Executive & Independent Director	8	6	YES	-	2 (Member) 1 (Chairman)
Mr. Ajit Pal Singh	Promoter & Independent Director	8	6	YES	-	-
Mr. Gurneet Singh	Promoter & Non-Executive Director	8	3	No	-	-

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None of the Director is a member of more than 10 (ten) Board - level committees or a Chairman of more than 5 (five) such committees, as required under Clause 49 of the listing agreement.

Detail of Directors appointment / reappointment.

Relevant detail are furnished in the notice convening the Annual Meeting to be held on 30th September, 2011.

Information to be placed before Board of Directors:

Audit Committee review with the management the financial statements before submitting to the Board, focusing primarily on:

- * Annual operating plans and budgets, updates,
- * Capital budgets and any updates
- * Quarterly results for the Company.
- * Minutes of meeting of Audit Committee and other Committees of the Board.
- * Show cause, demand, prosecution notices and penalty notices which are materially important.
- * The information on recruitment and remuneration of employees.
- * Any material default in financial obligation to and by the Company.
- * Non compliance of any regulatory, statutory nature or listing requirements as well as shareholder grievances.

The Board of **James Hotels Limited** is regulatory, statutory with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board Meetings or are tabled in the course of Board Meeting.

3. AUDIT COMMITTEE:

Pursuant to the provisions of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges, an Audit Committee has been constituted to cover the matters specified for Audit Committee under Listing Agreements as well as under the provisions of the Companies Act, 1956. As on 31st March, 2011, the Audit Committee comprised of Mr Nar Singh Bedi, Mr. Neeraj Mohindroo and Mr Haravatar Singh Arora (Mr. Nar Singh Bedi and Mr. Rajesh Saini are Non-Executive and Independent Directors and Mr Har avtar Singh Arora is a Promoter Director). Mr. Neeraj Mohindroo was a Chairman of the Audit Committee during the financial year ended on 31st March, 2011 having required financial and accounting knowledge. During the financial year 2010-11, 5(five) meetings of the Audit Committee were held.

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Table-2 : Attendance record of audit committee members:

Name of the Director	Number of Meetings Held	Number of meetings attended
Mr. Neeraj Mōhindroo	5	5
Mr. Nar Singh Bedi	5	5
Mr. Haravatar Singh Arora	5	5

Audit Committee are in consonance with the Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956 and are as under :

- * Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- * Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- * Reviewing with management the annual financial statements before submission to the Board focusing primarily on :
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumptions.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives sets. that may have potential conflict with the interests of Company at large.
- * Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- * Reviewing the adequacy of internal audit function.
- * Discussing with internal auditors on any significant findings and follow up thereon.
- * Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- * Discussion with the external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- * Reviewing the Company's financial and risk management policies.
- * To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

4. REMUNERATION COMMITTEE:

The setting up of a Remuneration Committee determining a Company's policy in remuneration package for executive Directors is a non mandatory provision of Clause 49 of the Listing Agreement. Further, there are no Directors to whom remuneration is being paid during the financial year ended on 31st March, 2011. Hence, the remuneration committee has not been formed.

5. SHAREHOLDER'S/INVESTORS' GRIEVANCE / TRANSFER COMMITTEE:

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Share Transfer Committee. The Share Certificates in physical form are generally processed fortnightly and returned within 30 days from the date of receipt, if the documents are proper and valid in all respects. A summary of the transfer / transmission so approved is placed at every Board Meeting. Among other functions, this committee looks into redressal of shareholders complaints in respect of all matters including transfer of shares, non receipt of Annual Report, non receipt of Share Certificates and investor's complaint etc. as required under Clause 49 of the listing agreement. The committee consisted of one promoter Director and two non-executive independent Directors as on 31st March, 2011. Mr. Rajesh Saini a non- executive independent Director is Chairman of Shareholder's/Investors' Grievance Committee.

There are no complaints pending from the shareholders as on 31st March, 2011. No requests for transfers were pending for approval as on 31st March, 2011.

6. GENERAL BODY MEETINGS:

a) Location and time of previous three Annual General Meetings:

Year	Venue	Date	Time	No. of Special resolutions passed
2009-10	Indira Holiday Home, Sector 24-B, Chandigarh	30-09-2010	9 A.M.	-----
2008-09	Indira Holiday Home, Sector 24-B, Chandigarh	30-09-2009	11 A.M.	-----
2007-08	Lajpat Bhawan, Sector 15, Chandigarh	18-09-2008	11 A.M.	-----

James Hotels Limited

b) Postal Ballot

The Company has not conducted any business through postal ballot during the year under review. Accordingly, the Company's (Postal ballot) Rules, 2001 is not applicable to the Company during the said year.

7. DISCLOSURES:

During the year under review, there had not been materially significant party transactions which may be consider to have potential conflict with the interests of the Company. The Stock Exchange(s) Agreement Clauses, SEBI Guidelines & the applicable Rules/ Regulations / Sections of the other Acts are being complied by the Company from time to time during the last three years.

8. MEANS OF COMMUNICATION:

The Quarterly, Half Yearly and Annual Results of the Company's performance are published in leading dailies, such as Financial Express and Jansatta. The same is also submitted to Stock Exchanges under the listing agreements.

9. GENERAL SHAREHOLDER'S INFORMATION:

Annual General Meeting:

Date : Friday, 30th September, 2011
Time : 9.00 A.M.
Venue : INDIRA HOLIDAY HOME, Sector-24-B, Chandigarh

Financial Calendar:

Financial Year : 1st April, 2010 to 31st March, 2011

For the year ended 31st March, 2011 results were announced on :

First Quarter : 2nd August, 2010
Second Quarter : 29th October, 2010
Third Quarter : 24th January, 2011
Fourth Quarter : 29th April, 2011

Date of Book Closures:

The Register of Members and Share Transfer Register shall remain closed from 21st September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of Annual General Meeting.

Dividend Payment Date: Not Applicable

Disclosures regarding appointment and re-appointment of Directors:

Mr Neeraj Mohindroo, retires from office by rotation and being eligible, offers himself for re-appointment. Your Board recommend his re-appointment for your approval.

Investor's Grievances:

The Company has constituted a Shareholder's/Investor Grievance's Committee to look into and redress shareholders and investors complaints. The status on complaints is reported to the Board of Directors as an agenda item.

James Hotels Limited

Share Transfer:

M/s Alankit Assignments Limited, New Delhi are Registrar & Share Transfer Agents of the Company.

Details of Non Compliance:

There has been no instance of James Hotels Limited not complying with any matter related to capital markets.

Listing on Stock Exchanges:

The Company's equity shares are listed on the Bombay Stock Exchange (Scrip Code 526558), The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange. The ISIN No. of the Company on NSDL is **INE510D01014**. **The shares are traded on Bombay Stock Exchange w.e.f. 29.01.2010**

Stock Data:

With the efforts of the Management, Company got revocation of suspension of trading of securities on Bombay Stock Exchange Ltd. The market price of shares were Rs.45.00 as on 31.03.2011.

Registrar and Transfer Agents: Share transfers and related operations for James Hotels Limited are conducted by M/s Alankit Assignments Limited having their office at 'Alankit House', 2E/21, Jhandewalan Extension, New Delhi-110 055.

Share Transfer System:

Share transfer are registered and returned within a period of thirty days from the date of receipt, if the documents are cleared in all respects.

Distribution of shareholding:

By ownership, as on 31st March, 2010

Category		No. of shares Held	%age of Share holding
A	Promoters Holding		
1	Indian Promoters	0	0
	Foreign Promoters	33,65,430	42.07%
2	Person acting in concert		
	Relatives/Friends & Associates	8,24,840	10.31%
	Sub Total	41,90,270	52.38%
B	Non-Promoters Holding		
3	Institutional Investors	0	0
	Others		
a.	Private Corporate Bodies	4,79,900	6.00%
b.	Indian Public	3,330,330	41.62%
	Sub Total	38,10,230	47.62%
	GRAND TOTAL	80,00,500	100%

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Distribution of shareholding as on 31st March, 2011

No. of Share	No. of holders	% of share holders	No. of share holding	Voting strength (%)
1 to 500	2407	69.61%	680891	8.51%
501 to 1000	711	20.56%	536800	6.71%
1001 to 2000	208	6.02%	335900	4.20%
2001 to 3000	17	0.49%	42500	0.53%
3001 to 4000	15	0.43%	55100	0.69%
4001 to 5000	14	0.40%	63500	0.79%
5001 to 10000	36	1.04%	265605	3.32%
10001 & above	50	1.45%	6020204	75.25%
Total	3458	100.00%	8000500	100.00%

Shares held in physical and dematerialized form:

The Company's shares are available for Dematerialization on National Securities Depository Limited (NSDL) & Central Securities Depository Limited (CDSL). Shares representing 66.20% of the paid - capital have so far been dematerialized by investors upto 31st March, 2011.

Registered Office:

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

Address for Correspondence:

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

Address for Shares Transfer and related operations:

Share transfer and related operations for James Hotels Limited are conducted by the Registrar and Share Transfer Agents having their office at:

**Alankit Assignments Limited,
'Alankit House', 2E/21, Jhandewalan Extension,
New Delhi-110 055**

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

Pursuant to the Clause 49 of the Listing Agreement with the Stock Exchanges, I Haravtar Singh Arora, Managing Director of James Hotels Limited, declare that all the Board members and senior executives of the company have affirmed their compliance with the code of conduct during the year ended 31st March, 2011

For JAMES HOTELS LIMITED

Sd/-

(Haravtar Singh Arora)

Chairman cum Managing Director

Dated : 18th June, 2011
Place : Chandigarh

James Hotels Limited

CEO/CFO CERTIFICATION

The Board of Directors
James Hotels Limited,
Chandigarh.

We have reviewed financial statements and cash flow statements for the year April 1st, 2010 to March 31st, 2011 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2011 which are fraudulent, illegal or violative of the company's Code of Conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial reporting. we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and Audit committee those deficiencies in the design or operation of such internal controls of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the auditors and the audit Committee:
 - a) there have been no significant changes in internal control over financial reporting during the year.
 - b) there have been no significant changes in accounting policies during this year.
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the company's internal control systems over financial reporting.

Dated : 18th June, 2011
Place : Chandigarh

Sd/-

(Haravtar Singh Arora)
Chairman cum Managing Director

James Hotels Limited

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
James Hotels Limited

We have examined the compliance of conditions of Corporate Governance by James Hotel Ltd (the company) for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for ASEEM CHHABRA & ASSOCIATES

Place : Chandigarh
Date : 28th August, 2011

Sd/-
(ASEEM CHHABRA)
PRACTISING COMPANY SECRETARY
C.P. NO. 3113

James Hotels Limited

AUDITOR'S REPORT

The Members,
James Hotels Limited

1. We have audited the attached Balance Sheet of **James Hotels Limited**, as at 31st March, 2011, and the related Profit & Loss Account and the Cash Flow Statement -for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this report, are in agreement with the books of account.

James Hotels Limited

- d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is, prima facie, disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) Attention is invited to the following notes of Schedule 'L'
- i) Note no. B.5 regarding default in repayment of dues (principal & interest) to Bank.
 - ii) Note no. B.9 regarding non-provision of depreciation on certain assets (not put to use).
- g) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with notes thereon and schedule annexed thereto and give the information required by Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - b) in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date.
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For VASUDEVA & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

(NITI M. LATAWA)

Dated : 18th June, 2011
Place : Chandigarh

PARTNER

James Hotels Limited

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on accounts of James Hotels Limited for the year ended 31st March, 2011)

1. **In respect of its Fixed Assets :**

- a) The Company is updating records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company & the nature of its assets; no material discrepancies were noticed on such physical verification.
- c) None of the fixed assets of the Company were disposed off during the year.

2. a) The Company has not granted any loans, secured or unsecured to Companies/firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956; accordingly clauses (3-b) to (3-d) are not applicable & have, therefore, not been commented upon.

- b) The Company has not taken any loans, secured or unsecured from Companies or firms covered in the register maintained under section 301 of the Companies Act, 1956. However, in respect of unsecured loans taken from two parties (balance outstanding Rs. 287,803,268/-) covered in the register maintained under Section 301 of the Companies Act, 1956, the terms and conditions of repayment etc., though not determined are, prima facie, not prejudicial to the interest of the Company. The Company has not entered into any contractual agreement(s) with the above referred parties (others) with regard to repayment/refund or payment of interest etc.

3. In our opinion and according to the information and explanations given to us, there is an internal control system which does not appear to be commensurate with the size of the Company and nature of its business for the purchase of fixed assets. During the course of our audit, some areas have been noticed where the existing internal control system needs to be strengthened.

4. According to the information and explanations provided by the management, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered and there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, hence para (vb) of the Order is not applicable.

5. According to the information & explanations given to us, the Company has not accepted any deposits from the public with in the provision of Sections 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) rules, 1975.

6. The Company has an internal audit system, the scope and coverage of which, in our opinion, is required to be enlarged to be commensurate with the size and the nature of its business.

7. **In respect of its Statutory dues :**

- a) According to the information and explanations given to us, the provisions of Employees State Insurance and Provident Fund are not applicable to the Company; no undisputed amounts in respect of Investor Education and Protection Fund, Income Tax, Wealth Tax, CST/VAT, Custom Duty, Excise Duty, Cess and other applicable statutory dues, *except Fringe Benefit Tax (Rs. 66,070/- for the year 2008-2009)* were outstanding at the year end for a period of more than six months from the date they became payable.

- b) According to the records of the Company there are no statutory dues that remain unpaid, as at 31st March, 2011, on account of any dispute.

James Hotels Limited

8. The accumulated losses of the Company do not exceed fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the financial year under review, as well as, in the immediately preceding financial year.
9. According to the information & explanations given to us and on the basis of verification of records, interest on term loan from State Bank of India, aggregating to ₹ 9,119,886/-, for the months of January 2011 & February 2011, remained unpaid; the installment of term loan (State Bank of India) to the tune of ₹ 4,000,000/-, due & payable till March, 2011, also remained unpaid. The Company, during the year, has not taken any loan from Financial Institution.
10. According to the information & explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. According to the information & explanations given to us, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
12. According to the information & explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments; accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
13. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
14. According to the information and explanations given to us, term loans taken, during the year, have been applied for the purpose for which the Loans were obtained.
15. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2011, we report that no significant funds raised on short-term basis have, prima facie, been used for long-term investment by the Company, except unsecured loans from the promoter which have been used for completion of hotel project.
16. The Company has not made an preferential allotment of shares to parties and Companies covered in the restrict maintained under Section 301 of the Companies Act, 1956, during the year.
17. The Company has not issued any Debentures.
18. The Company has not raised any money by public issue during the year.
19. Based on the information and explanation furnished by the management, which have been relied upon by us, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS

Dated: 18th June, 2011
Place : Chandigarh

Sd/
(NITI M. LATAWA)
PARTNER

(24)

James Hotels Limited

BALANCE SHEET AS AT 31st MARCH, 2011

Schedule	As at 31st March, 2011		As at 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS				
Shareholder's Funds				
-Share Capital	"A"	80,005,000		80,005,000
-Share Application (pending allotment)		80,300,000		80,300,000
-Reserves & Surplus	"B"	<u>184,748,450</u>	345,053,450	<u>184,748,450</u> 345,053,450
Loan Funds				
-Secured Loans	"C"	742,147,290		459,428,807
-Unsecured Loans	"D"	<u>287,803,268</u>	1,029,950,558	<u>184,973,234</u> 644,402,041
TOTAL			<u>1,375,004,008</u>	<u>989,455,491</u>
APPLICATION OF FUNDS				
Fixed Assets				
-Gross Block	"E"	269,445,640		284,947,170
-Less : Depreciation		<u>14,035,216</u>		<u>12,983,148</u>
Net Block		255,410,424		271,964,022
Capital Work in Progress	"F"	<u>1,082,689,367</u>	1,338,099,791	<u>690,439,770</u> 962,403,792
Current Assets, Loans & Advances				
-Current Assets "G"				
Cash and Bank Balances		108,704,142		14,690,351
Other Current Assets		<u>456,757</u>		<u>340,539</u>
		109,160,899		15,030,890
-Loan & Advances	"H"	<u>6,967,155</u>		<u>969,658</u>
		116,128,054		16,000,548
-Less : Current Liabilities & Provision	"I"	<u>101,185,525</u>		<u>9,460,375</u>
Net Current Assets			14,942,529	6,540,173
Miscellaneous Expenditure				
(To the extent not adjusted or written off)	"J"		21,961,688	20,511,526
TOTAL			<u>1,375,004,008</u>	<u>989,455,491</u>

Significant Accounting Policies
& Notes on Accounts "L"

Schedules referred to above form an integral part of these accounts

"AUDITOR'S REPORT"

In terms of our attached report of even date.

For Vasudeva & Associates
Chartered Accountants

Sd/-
(Niti M. Latawa)
Partner

Dated : 18th June, 2011
Place : Chandigarh

Sd/-
Haravtar Singh Arora
(Managing Director)

Sd/-
Kuldip Singh
(Manager Accounts)

Sd/-
Neeraj Mohindroo
(Director)

Sd/-
Sunita Arora
(Company Secretary)

James Hotels Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
		Rs.	Rs.
INCOME		0.00	0.00
EXPENDITURE			
Administrative & Other Expenses	"K"	398,094	501,066
Profit/(Loss) before depreciation		(398,094)	(501,066)
Depreciation		1,052,068	856,125
Profit/(Loss) after depreciation		(1,450,162)	(1,357,191)
Balance brought forward from last year		(20,511,526)	(19,154,335)
Balance carried to Balance Sheet		(21,961,688)	(20,511,526)
Basic/diluted earning per share (face value of Rs. 10/- each)		(0.18)	(0.17)

Significant Accounting Policies
& Notes on Accounts

"L"

Schedules referred to above form an integral part of these accounts

"AUDITOR'S REPORT"

In terms of our attached report of even date.

For Vasudeva & Associates
Chartered Accountants

Sd/-
(Niti M. Latawa)
Partner

Dated : 18th June, 2011
Place : Chandigarh

Sd/-
Haravtar Singh Arora
(Managing Director)

Sd/-
Kuldip Singh
(Manager Accounts)

Sd/-
Neeraj Mohindroo
(Director)

Sd/-
Sunita Arora
(Company Secretary)

James Hotels Limited

PARTICULARS	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
SCHEDULE "A" : SHARE CAPITAL		
Authorised		
-14,000,000 Equity Shares of Rs. 10/- each	140,000,000	140,000,000
Issued, Subscribed & Paid up -8,000,500 Equity Shares of Rs. 10/- each, fully paid up	80,005,000	80,005,000
TOTAL	<u>80,005,000</u>	<u>80,005,000</u>
SCHEDULE "B" RESERVES & SURPLUS		
Revaluation Reserve - balance brought forward	184,147,450	184,147,450
Capital Reserve - balance brought forward	601,000	601,000
TOTAL	<u>184,748,450</u>	<u>184,748,450</u>
SCHEDULE "C" SECURED LOANS		
Term Loan		
- From : State Bank of India	446,000,000	459,428,807
Add : Interest accrued & due	<u>14,338,178</u>	
	460,338,178	
- From : Punjab National Bank	278,558,113	
Add : Interest accrued & due	<u>3,250,999</u>	
	281,809,112	
TOTAL	<u>742,147,290</u>	<u>459,428,807</u>
Notes :		
1. Term Loan from State Bank of India & Punjab National Bank are secured, pari passu, by first exclusive charge on the entire fixed assets of the Company including equitable mortgage of commercial land (measuring 9,602 sq. yards) and proposed building of hotel at Block No.10, Sector - 17A, Chandigarh		
SCHEDULE "D" UNSECURED LOANS		
From : Promoter		184,973,234
- Directors	135,213,251	
- Share Holders	<u>152,590,017</u>	
TOTAL	<u>287,803,268</u>	<u>184,973,234</u>

James Hotels Limited

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	COST AS AT 01.04.2010 (ADJUSTMENTS)	ADDITIONS/ (ADJUSTMENTS)	TOTAL	AS AT 01.04.2010	DURING THE YEAR	TOTAL	W.D.V. AS AT 31.03.2010	W.D.V. AS AT 31.03.2011
Land	224,925,915	0	224,925,915	0	0	0	224,925,915	224,925,915
-Leasehold								
Building	23,637,598	1,511,640	25,149,238	2,896,719	0	2,896,719	20,740,879	22,252,519
Furniture & Fixtures								
-Hotel	12,152,652	0	7,726,982	5,439,601	0	5,439,601	6,713,051	2,287,381
-Office	214,819	(4,425,670)	214,819	128,728	15,582	144,310	86,091	70,509
Plant & Machinery								
-Machinery	17,662,504	0	5,075,004	2,172,161	0	2,172,161	15,490,343	2,902,843
		(12,587,500)						
-Equipment	327,255	0	327,255	158,994	23,405	182,399	168,261	144,856
-Computers	804,777	0	804,777	669,844	53,973	723,817	134,933	80,960
-Vehicles								
-Cars	5,221,650	0	5,221,650	1,517,101	959,108	2,476,209	3,704,549	2,745,441
"A" Figures for Current Year Rs.	284,947,170	1,511,640	269,445,640	12,983,148	1,052,068	14,035,216	271,964,022	255,410,424
		(17,013,170)						
"B" Figures for Previous Year Rs.	282,974,760	1,972,410	284,947,170	12,127,023	856,125	12,983,148	270,847,737	271,964,022

Notes :
 1. Figures in bracket represent sale proceeds of assets
 2. Refer Annexure "E-I" for depreciation details.

James Hotels Limited

PARTICULARS	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
SCHEDULE "F" : CAPITAL WORK IN PROGRESS		
"A" Building		
(Under construction)	475,414,873	327,853,712
Plant & Machinery		
(under - installation)	141,401,818	102,909,194
Miscellaneous Fixed Assets		
(under - installation)	98,257,550	24,120,277
Preoperative Expenses		
(pending capitalisation)	273,211,983	183,962,553
"B" Advances		
- For Capital Goods	94,403,143	51,594,034
TOTAL	1,082,689,367	690,439,770
SCHEDULE "G" CURRENT ASSETS		
Amount recoverable		340,539
(Unsecured & Considered good- unless otherwise stated)		
-Exceeding six months	456,757	
Cash & Bank Balances		14,690,351
- Cash in Hand	1,593,321	
- Balances		
with schedule banks	89,415,573	
- Fixed Deposits		
with schedule banks	17,695,248	108,704,142
TOTAL	109,160,899	15,030,890
SCHEDULE "H" LOANS & ADVANCES		
Advances recoverable in cash		500
or kind or value to be received.		
(Unsecured - considered good)		
- For Supplies & Expenses	5,982,351	
- Taxes		
Tax deducted at source	132,946	116,218
- Prepaid Expenses		
Insurance	181,156	209,238
Deposits		
with Government		
Departments & Other Agencies	670,702	643,702
TOTAL	6,967,155	969,658

James Hotels Limited

PARTICULARS	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.

SCHEDULE "I" : CURRENT LIABILITIES & PROVISIONS

Sundry Creditors		8,770,357
- For Supplies & Expenses	60,000	
- Others	12,397,149	12,457,149
Taxes & Expenses Payable	478,192	382,313
Other Liabilities	88,250,184	307,705
TOTAL	101,185,525	9,460,375

SCHEDULE "J" MISCELLANEOUS EXPENDITURE

(To the extent not adjusted or written off)

Profit & Loss Account		20,511,526
- As per annexed Profit & Loss Account	21,961,688	
TOTAL	21,961,688	20,511,526

SCHEDULE "K" ADMINISTRATIVE & OTHER EXPENSES

Establishment		113,000
- Salaries & Allowances	245,000	307,972
Other Administrative Expenses	119,337	80,094
General Charges	33,757	
TOTAL	398,094	501,066

James Hotels Limited

SCHEDULE 'L' Significant Accounting Policies & Notes on Accounts (Forming part of Accounts)

FOR THE YEAR ENDED 31ST MARCH, 2011

"A" Significant Accounting Policies

1. Accounting Concepts

The financial statements have been prepared under the historical cost convention on an accrual basis in compliance with all material aspect of the Notified accounting standard by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Capital Work-in-Progress

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation.

3. Depreciation

- Depreciation on fixed assets is provided, on written down value method, at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956.
- Depreciation on the Fixed Assets added/dropped off/dropped during the year is provided on pro-rata basis with reference to the month of addition/dropal/dropping.

4. Impairment of Assets

The cash generating units are evaluated at the Balance Sheet date to ascertain the estimated recoverable amount/value in use as against the written down value. Impairment loss, if any, is recognized whenever the written down value exceeds estimated recoverable amount/value in use.

5. Borrowing Costs

- Borrowing costs, attributable to acquisition and construction of qualifying assets, are capitalised as a part of the cost of such asset up to the date when such assets are ready for its intended use.
- Other borrowing costs are charged to Profit & Loss Account.

6. Lease

Lease rental for assets taken on operating lease are charged to the profit and loss account in accordance with Accounting Standard 19 on leases.

7. Foreign Currency Transactions

- Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- Gains or losses, if any, arising due to exchange differences at the time of transaction or settlement are accounted for in the Profit & Loss Account (except those relating to acquisition of fixed assets, which are adjusted in the cost of assets).

James Hotels Limited

8. Investments

Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

9. Earning per Share (EPS)

- Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

10. Employee Benefits

- Provisions of Employees State Insurance, Provident Fund & Gratuity are not yet applicable.
- Leave Encashment is accounted for on accrual basis.

11. Revenue Recognition

Income from investment/other income is recognized on accrual basis unless otherwise stated.

12. Taxation

- Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.
- The Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

13. Insurance and other claims

Insurance claims are accounted for on settlement of claims/on receipt.

14. Prior Period Items/Extra-ordinary Items

Prior period items/Extra-ordinary items, having material impact on the financial affairs of the Company, are disclosed separately.

15. Miscellaneous Expenditure

The Company follows the policy of treating some expenditure, the benefits of which accrue to the Company over an extended period as miscellaneous or deferred revenue expenditure and amortises such expenditure over a period of upto five years depending on the nature & expected future benefits of such expenditure.

16. Provisions, Contingent Liabilities and Contingent Assets.

- Provisions are recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Contingent liabilities are not recognised but are disclosed in the Notes to Accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

James Hotels Limited

"B" Notes on Accounts

1. a) Estimated amount of contracts – remaining to be executed on capital account & not provided for in the books of account.
b) Contingent Liabilities not accounted for.
2. In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance sheet, if realised in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as *certified*, all the contractual and statutory obligations have been duly complied with.
3. The management has informed that party balances, in certain cases, are under reconciliation & subject to confirmation; however the same have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment therefore provision for bad & doubtful debts / unclaimed balances is not required.
4. The Regional Director (NR) (Ministry of Corporate Affairs), vide their letter no. 1425/JDI/2009/12029 dated 01st June 2009; initiated the proceedings for inspection of books of account & other records etc. under Section 209-A of the Companies Act, 1956; the desired information was furnished by the Company vide its letter dated 12th June, 2009. Subsequently, the Regional Director (NR) (Ministry of Corporate Affairs), after conducting the inspection, directing the Company, issued a letter no. 1425/JDI/2009/3194 dated 24th August 2010, to furnish reply / information & explanations on violation of various sections of the Companies Act, 1956. The Company, vide its letter dated 07.09.2010, has furnished the requisite information with comments & explanations; however the final disposal by the concerned authority is awaited.
5. Secured Loans :
Interest accrued & due (Rs. 14,338,178/-) on term loan from State Bank of India, includes interest (Rs. 9,119,886/-), for the months of January, 2011 & February, 2011, the said amount remained unpaid at the close of the year. Interest accrued & due (Rs. 8,469,291/-) on term loans of State Bank of India & Punjab National Bank respectively, for the month of March, 2011 was paid in April, 2011. The installment of term loan (State Bank of India) to the tune of Rs. 4,000,000/-, due and payable till March, 2011, also remained unpaid.
6. Unsecured Loans :
 - Unsecured loans from Directors (Rs. 135,213,251) & Promoters (Rs. 152,590,017) are exempt deposit, in conformity with the provisions of Sections 58A & 58AA & other relevant applicable provisions of the Companies Act, 1956 & the rules framed thereunder.
 - Unsecured loans from promoters were raised in pursuance of stipulations of Banks.
 - The Company has not entered into any contractual agreement(s) with the above referred parties (others) with regard to repayment/refund or payment of interest etc
7. Fixed Assets: Capital-Work-in-Progress (Rs. 10,826.89 lacs) comprises of :
Building (under-construction Rs. 4,754.15 lacs), Plant & Machinery and Miscellaneous Fixed Assets (under-installation Rs. 1,414.02 lacs & Rs. 982.58 lacs respectively). (33)

James Hotels Limited

Preoperative Expenses (pending capitalization 2,732.12 lacs) and Advances for Capital Goods (944.03 lacs). Pre-operative Expenses will be capitalised on completion of Building & installation of Plant & Machinery and Miscellaneous Fixed Assets.

8. - The Project is still under implementation and the Company intends to capitalise Preoperative Expenses on commencement of commercial operations.

- Funds raised for the implementation of hotel project were temporarily deployed & invested in Fixed Deposits with Banks; interest paid (Rs. 77,619,061/- net of interest earned on fixed deposits Rs. 1,329,426/-) has been shown under the head Preoperative Expenses (pending capitalisation).

9. Depreciation:

- Depreciation (Rs. 1,052,068/-) on Furniture & Fixtures (Office), Equipment, Computers & Vehicles has been provided, on written down value method, as per the rates specified in Schedule XIV of the Companies Act, 1956.

- Depreciation on other assets, since under-construction/under-installation, has not been provided; thus loss to that extent has been understated & fixed assets overstated.

10. The management has informed that:

"A" Employee Benefits

- The Company has been legally advised, regarding non application of the provision of Employees State Insurance, Provident Fund & Gratuity.

- Leave Encashment, on the basis of actual computation, is accounted for on accrual basis, during the tenure of Employment, the payment in respect thereof is made by the Company from its own funds as per the past practise consistently followed by the Company.

"B" Taxes

- The exact liability of Income Tax and other statutory dues is indeterminate pending finalisation of assessments and no undisputed amounts (except Fringe Benefit Tax- Rs. 66,070/-)/disputed amounts outstanding or remained unpaid as at 31st March, 2011.

"C" Others

- Share Application Money (pending allotment Rs. 80,300,000/-) – shares have not been allotted & statutory period in respect of the allotment has not yet elapsed.

11. **Borrowing Costs (AS – 16)**

Interest (Rs. 78,267,690/-) paid to banks, during the year, has been capitalised and set out under the head Building.

12. **Segment Reporting (AS-17)**

The business operations remained suspended & the Company did not carry on any activity, hence the Company has nothing to report on Accounting Standard – 17 issued by the Institute of Chartered Accountant of India (ICAI).

James Hotels Limited

13. Related Party Disclosures (AS-18)

- a) Related Parties & their relationships:
- i) Key Management Personnel
 - Haravtar Singh Arora (Managing Director)
 - Ajit Pal Singh (Director)
 - ii) Relatives of Key Management Personnel
 - Paramjit Singh
 - iii) Individuals controlling or having substantial interest
 - Ajmair Singh Bhullar
- b) Transactions with related parties:

PARTICULARS	NATURE OF TRANSACTION	AMOUNT in '000	BALANCE OUTSTANDING As on 31.03.2011 (in '000)
-Key Management Personnel	Unsecured Loans	42,615	135,213
-Relatives of Key Management Personnel	Unsecured Loans	10,000	10,000
-Individuals controlling or having substantial interest	Unsecured Loans	57,315	151,590

14. Land (Leasehold) was allotted by the Chandigarh Administration to the Company. Accounting Standard – 19 excludes lease agreements to use land.

15. Earning per share (AS-20)

	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Numerator		
Net Profit/(Loss) after tax As per Profit & Loss Account	(1,450,162)	(1,357,191)
Denominator		
Number of Equity Shares No.'s	8,000,500	8,000,500
Nominal Value per Equity Share	10/-	10/-
Basic & diluted Earning per share	(0.18)	(0.17)

16. Deferred Tax Assets & Liabilities (AS-22)

The existence of unabsorbed depreciation and carry forward losses under tax laws (relating to suspended business activity) and in absence of virtual certainty of sufficient future taxable income and non commencement of commercial operations; the deferred tax has not been recognized as a measure of prudence.

James Hotels Limited

17. Micro, Small & Medium Enterprises

There is no reported Micro, Small & Medium Enterprises as defined in the Micro, Small & Medium Enterprises (Development) Act 2006, to whom the Company owes dues.

18. Statutory books, as required under the Companies Act, 1956, are being updated.

19. Auditor's Remuneration

	31 st March, 2011 AMOUNT Rs.	31 st March, 2010 AMOUNT Rs.
- Audit Fee	25,000	22,000
- In other capacity Certification & out of pocket expenses	20,000	13,000
Total	45,000	35,000

20. Managerial Remuneration

No Managerial Remuneration has been paid during the year in wake of losses incurred by the Company.

21. The Company did not carry on any manufacturing activity, therefore, the provisions of paragraphs 3, 4-C and 4-D of Part-II of Schedule VI of the Companies Act, 1956 are not applicable to the Company.

22. Transactions in Foreign Currency

	31 st March, 2011 AMOUNT (Rs. in lacs)	31 st March, 2010 AMOUNT (Rs. in lacs)
a) CIF Value of Imports		
- Plant & Machinery (Euro 11,624.84, US Dollars 82,817.55 & GBP 18,383.75)	59.05	15.30
- Miscellaneous Fixed Assets (US Dollars 9,150)	4.26	Nil
b) Expenditure in Foreign currency	Nil	Nil
Total	63.31	15.30

23. Figures for previous year have been regrouped/rearranged, where considered necessary.

24. Figures have been rounded off to nearest rupees.

For Vasudeva & Associates
Chartered Accountants

Sd/-
(Niti M. Latawa)
Partner

Dated : 18th June, 2011
Place : Chandigarh

For and on the behalf of Board of Directors

Sd/-
Haravtar Singh Arora
(Managing Director)

Sd/-
Neeraj Mohindroo
(Director)

Sd/-
Kuldip Singh
(Manager Accounts)

Sd/-
Sunita Arora
(Company Secretary)

James Hotels Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2011

	CURRENT YEAR (Rs. in lakhs)	PREVIOUS YEAR (Rs. in lakhs)
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit (Loss) before tax and extraordinary items	(14.50)	(13.57)
Adjustment for:		
- Depreciation	10.52	8.56
Operating Profit before working Capital Changes	(3.98)	(5.01)
Adjustment for :		
- (Increase)/Decrease in Current Assets	(1.16)	(1.60)
- (Increase)/Decrease in Loans & Advance	(488.07)	(83.38)
- (Increase)/Decrease in Current Liabilities	917.25	80.70
NET CASH FLOW FROM OPERATING ACTIVITIES	424.04	(9.29)
B CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed assets	(3509.51)	(2,470.60)
Proceeds from sale of fixed assets	170.13	0.00
NET CASH FLOW FROM INVESTING ACTIVITIES	(3339.38)	(2,470.60)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Secured Borrowings	2827.18	1,343.93
Increase/ (Decrease) in Unsecured Loans	1028.30	775.00
NET CASH FLOW FROM FINANCING ACTIVITIES	3855.48	2,118.93
NEW CASH FLOW DURING THE YEAR (A+B+C)	940.14	(360.96)
CASH & CASH EQUIVALENTS (OPENING BALANCE)	146.90	507.86
CASH & CASH EQUIVALENTS (CLOSING BALANCE)	1087.04	146.90
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	940.14	(360.96)

"AUDITOR'S REPORT"

In terms of our attached report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTOS

For Vasudeva & Associates
Chartered Accountants

Sd/-
(Niti M. Latawa)
Partner

Dated : 18th June, 2011
Place : Chandigarh

Sd/-
Haravtar Singh Arora
(Managing Director)

Sd/-
Kuldip Singh
(Manager Accounts)

Sd/-
Neeraj Mohindroo
(Director)

Sd/-
Sunita Arora
(Company Secretary)

James Hotels Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration details

Registration No. State Code

Balance Sheet Date

II. Capital raised during the year (amount in Rupees thousands)

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of mobilisation and deployment of funds (amount in Rupees thousands)

Total Liabilities <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/>	Total Assets <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/>
Sources of funds	Reserves and Surplus
Paid up capital (incl. Sh. Appl. Money) <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="5"/>	<input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="9"/>
Secured Loans <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/>	Unsecured loans <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="3"/>
Application of funds	Investment
Net Fixed Assets <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="5"/>	Misc. Expenditure <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="2"/>

IV. Performance of Company (amount in Rupees thousands)

Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Total expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/>
+ - Profit/(Loss) before tax <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/>	+ - Profit/(Loss) after tax <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/>
Earning per share (Rupees) <input type="text" value=""/> <input type="text" value=""/> <input "="" type="text" value="("/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value=")"/>	Dividend rate % <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. Generic name of three principal products/services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

For Vasudeva & Associates Chartered Accountants	Sd/- Haravtar Singh Arora (Managing Director)	Sd/- Neeraj Mohindroo (Director)
Sd/- (Niti M. Latawa) Partner	Sd/- Kuldip Singh (Manager Accounts)	Sd/- Sunita Arora (Company Secretary)
Dated : 18th June, 2011		
Place : Chandigarh		

James Hotels Limited

**REGD. OFFICE:BLOCK 10,SECTOR 17-A,CHANDIGARH PROXY FORM
ANNUAL GENERAL MEETING**

I/We.....ofin the district of being a member / members of the above-named Company hereby appoint..... of.....in the district of.....or failing him.....of.....in the district ofas my/our proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on Thursday, the 30th day of September, 2011 at 9.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh and at any adjournments thereof.

Name of the Shareholder.....

Client ID No.....

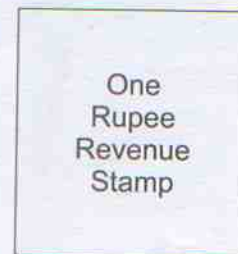
DP ID No.....

Registered Folio No.....

No. of shares held.....

Signed this.....day of.....2011

Signature.....



Note:The proxy form duly signed across the revenue stamp of the Rupee should reach the Registered Office of the Company at least 48 hours before the time of the meeting.

JAMES HOTELS LIMITED

**REGD. OFFICE:BLOCK 10,SECTOR 17-A,CHANDIGARH
ATTENDANCE SLIP**

L.F. No.....

No. Of SHARES HELD.....

Client ID No.....

DP ID No.....

I hereby record my presence at the 30th Annual General Meeting of the Company to held on Friday, the 30th day of September, 2011 at 9.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh

.....
Full Name of the Shareholders/Proxy
(IN BLOCK LETTERS)

.....
Signature

Note: Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

BOOK POST

To

If undelivered please return to:-
JAMES HOTELS LIMITED
Regd. Office : Block 10, Sector 17-A,
Chandigarh -160 017