

General Manager,
Deptt of Corporate Services,
Bombay Stock Exchange Ltd.
PJ Tower, 25th Floor,
Dalal Street
Mumbai-400001

Sub: Submission of Annual Report for the year 2015-16

Dear Sir,

Pursuant to clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the company for the Financial Year 2015-16.

This is for your information and records please.

Yours truly
For James Hotel Limited


(CA Navneet Gupta)
Resolution Professional



James Hotel Chandigarh
Block No. 10, Sec. 17-A
Chandigarh - 160 017
India

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JAMES
HOTELS LIMITED

35th

ANNUAL REPORT
2015-2016

JAMES HOTELS LIMITED

BOARD OF DIRECTORS

Mr. Haravtar Singh Arora, Chairman
Mr. Neeraj Mohindroo
Mr. Ajit Pal Singh
Mr. Amit Julka
Ms. Amrit Pal Bedi

AUDITORS

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

CHIEF FINANCIAL OFFICER

Mr. Bharat Bhushan Goel

COMPANY SECRETARY

Ms. Puja Sharma

BANKERS

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

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JAMES HOTELS LIMITED

NOTICE

NOTICE is hereby given that the **35th Annual General Meeting** of the members of James Hotels Limited will be held on Friday, the 30th day of September, 2016 at 11.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2016 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. Ajit Pal Singh (02741176), who retires by rotation and being eligible, offers himself for re-appointment.
3. TO PASS IF THOUGHT FIT, WITH OR WITHOUT MODIFICATION(S) IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

TO RATIFY THE APPOINTMENT OF STATUTORY AUDITORS AND FIX THEIR REMUNERATION.

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company do hereby ratifies the appointment of M/s Vasudeva & Associates, Chartered Accountants (Firm Registration No. 022239N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 36th AGM of the Company to be held in the year 2017 at such terms and remuneration as may be determined from time to time by the Board of Directors or Audit Committee in consultation with the Auditors, exclusive of travelling and reimbursement of other out of pocket expenses.”

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

Place: Chandigarh
Date: 20/08/2016

Sd/-
(Puja Sharma)
Company Secretary
M. No. A30298

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.
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Share Capital of the Company. In case proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
2. Members are requested to notify any change in their address, along with their pincode quoting their Folio No. and relevant particulars.
3. 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.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st September, 2016 to 30th September, 2016 (both days inclusive).
5. The shareholders holding shares in identical order or names in more than one folio are requested to write to the Company's Share Department for consolidation of such shares enclosing their share certificate.
6. The members who hold shares in dematerialized as well as in physical form are requested to bring their Client ID and DPID numbers respectively for easy identification of attendance at the meeting.
7. The members are advised that no gift/gift coupons will be distributed at the Annual General Meeting of the Company.
8. Members/Proxies should bring the Attendance slip sent here with duly filled in and signed and handover the same at the entrance of the Hall.
9. Corporate members intending to send authorized representative(s) to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the meeting.
10. The shareholders are requested to bring their copy of Annual Report at the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their banks immediately to the Company. Members holding shares electronically in dematerialized form must advise any change of address to their respective depository participants.
13. **Nomination facility** : As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not registered their nomination are requested to register the same by submitting Form No. SH-13. If a

member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company.

14. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate the risks associated with physical shares and for ease in portfolio management.

15. Updation of Members' details :

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this Annual report. Members holding shares in physical form are required to submit the filled in form to the Company and Members holding shares in dematerialized form are required to submit the filled in forms to their respective Depository Participants.

16. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.

17. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to reply at the meeting. For any communication, the Members may also send requests to the Company's investor email Id : csjameshotel@gmail.com

18. Electronic copy of the Annual Report for 2015-16 is being sent to all members whose e-mail IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.

19. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report 2016 will also be available on the Company's website www.jameshotels.co.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon marking a request for the same, by post free of cost. For any communication, the members may also send request to the Company's investor email csjameshotel@gmail.com.

20. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this notice.

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MODE

A. NSDL shall be sending the User ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/ Depository Participants. For members who have not registered their email addresses, can use the details as provided in the e-voting instruction being sent along with the Notice.

- B. Open the internet browser and type the following URL: www.evoting.nsdl.com.
- C. Click on the Shareholder – login.
- D. Put User ID and Password as provided in this document and click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for your login.
- E. If you are logging in for the first time, the password change menu will appear. Change the password with new password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- F. Once the e-voting home opens, click on e-voting: Active Voting Cycles.
- G. Select “EVEN (Electronic Voting Event Number)” of James Hotels Limited.
- H. Once you enter the Cast Vote page will open. Now you are ready for e-voting.
- I. On the voting page, you will see “Resolution Description” and against the same the option “Yes/ No” for voting. Select the option Yes or No as desired. The option Yes implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- J. After selecting the resolution you have decided to vote on, click on “Submit”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Ok”, else to change your vote, click on “Cancel” and accordingly modify your vote.
- K. Upon confirmation, the message “Vote cast successfully” will be displayed.
- L. Once you have voted on the resolution, you will not be allowed to modify your vote.
- M. Institutional shareholders (i.e other than individuals, HUF , NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at bsehgalaassociates@gmail.com with a copy marked to evoting@nsdl.co.in.

General Instructions for e-voting:

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com. You can also contact NSDL via email at evoting@nsdl.co.in.

- i. You can also update your mobile number and e-mail Id in the user profile details of the folio which may be used for sending future communication (s).
- ii. The e-voting period commences on 27/09/2016 and ends on 29/09/2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22/09/2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iii. The voting rights of shareholders, shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date i.e 22/09/2016.
- iv. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22/09/2016 and not casting their vote electronically, may only cast their vote at the 35th Annual General Meeting.
- v. Mr. Bunny Sehgal, Company Secretary in Practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vii. The Results shall be declared after the 35th Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.jameshotels.co.in and on the website of NSDL within two (2) days of passing of the resolutions at the 35th Annual General Meeting of the Company on 30/09/2016 and communicated to BSE.
- viii. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 had mandated the companies to use any of the RBI approved electronic mode of payment such as ECS(Local ECS/Regional ECS/National ECS), NEFT, RTGS etc. for distribution of dividends and other cash benefits to investors. The Circular also mandated the Companies or their Registrar and Transfer Agent (RTA) to maintain bank details of investors. In case the securities are held in demat mode, the Companies or their RTA shall seek relevant bank details from depositories and in case the securities are held in physical mode, the Companies or their RTA shall take necessary steps to maintain updated

JAMES HOTELS LIMITED

bank details at their end. The members are requested to ensure that correct and updated particulars of their bank accounts are available with their respective depository participants and the Company/ its RTA to facilitate necessary payments through electronic mode.

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

Place: Chandigarh
Date: 20/08/2016

Sd/-
(Puja Sharma)
Company Secretary
Membership No. A30298

JAMES HOTELS LIMITED

DISCLOSURE PURSUANT TO SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON “GENERAL MEETINGS” RELATING TO DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE ANNUAL GENERAL MEETING

NAME OF THE DIRECTOR	Mr. Ajit Pal Singh
DATE OF BIRTH	21.08.1981
DATE OF APPOINTMENT	27.08.2010
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Textile Trading
QUALIFICATIONS	B.Sc (IT)
RELATIONSHIP BETWEEN DIRECTOR INTER-SE	Nephew of Mr. Haravtar Singh Arora.
SHAREHOLDING IN THE COMPANY	410455
LIST OF PUBLIC COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD	NIL

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

Place: Chandigarh
Date: 20/08/2016

Sd/-
(Puja Sharma)
Company Secretary
M. No. A30298

JAMES HOTELS LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 35th Annual report together with the Audited Profit And Loss Account Statement for the year ended on 31st March, 2016 and Balance Sheet as at 31st March, 2016.

FINANCIAL RESULTS

	2015-2016 (Rs. In Lacs)	2014-2015 (Rs. In Lacs)
Gross Operating Profit / (Loss) before Financial Charges & Depreciation	449.85	546.61
Less : Financial Charges	1301.14	1380.06
Less : Depreciation	1158.21	1492.25
Add : Exceptional Income	-----	0.68
Less : Tax Expense	-----	4.44
Net Profit / (Loss)	(2009.50)	(2329.47)

FINANCIAL PERFORMANCE REVIEW

The Company has earned a Gross Operating Profit of Rs, 449. 85 Lacs as compared to a Profit of Rs, 546.61 Lacs. The Company has suffered a Net Loss of Rs. 2009.50 Lacs as compared to a Loss of Rs, 2329.47 Lacs in the previous year. The Financial performance of the Company has gone down because of non fulfillment of the commitment of the lenders of the Company due to which the Company had to suffer huge losses. Further to add to this the Banks have dragged the Company into multiple litigations the cost of which is too heavy and though the Company has been trying to reach a settlement with the Lenders but they are not responding positively. However the Management of the Company is committed to face any challenge and steer the Company in the right direction and come out of the red in the near future.

DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATES

The Company does not have any Subsidiary, Joint Ventures and Associates.

CONSOLIDATED FINANCIAL STATEMENTS

The Company is not required to prepare Consolidated Financial Statements.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

The Company has not given any Loans, Guarantees and made any investments which are covered under Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related

Party Transactions and the same is posted on the Company's Website : www.jameshotels.co.in.

There are no contracts or arrangements with related parties entered into by the Company as referred to in Section 188(1) of the Companies Act, 2013 for the financial year 2015-16.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 read with Schedule VII and the Rule made thereunder, every Company having net worth of Rs. 500 crore or Turnover of Rs. 1000 crore or Net Profit of Rs. 5 crore is required to constitute Corporate Social Responsibility Committee. The Company does not meet any of the above criteria. As such the Company is not required to constitute Corporate Social Responsibility Committee and comply with the requirements of Section 135 read with Schedule VII and the Rules made thereunder.

AMOUNTS TRANSFERRED TO RESERVES:

No amount has been transferred to reserves during the current financial year on account of losses incurred.

DIVIDEND

The Company has not recommended any dividend due to heavy losses suffered by the Company.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any money to Investor Education and Protection Fund.

PUBLIC DEPOSITS

The Company has not accepted any Public deposits under section 73 of the Companies Act, 2013. Unsecured Loans from Directors are exempt deposit in conformity with the applicable provisions of the Companies Act, 2013 & rules framed thereunder.

HUMAN RESOURCE DEVELOPMENT

Human Resource Development is considered to be vital in any organization for the effective implementation of its business plans. Constant endeavors are being made by the Company through various HR policies and processes aimed for growth and opportunities and recognitions of the employees in order to effectively motivate the employees at all levels for the overall growth and expansion of the business.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is appended as Annexure – II to the Board's Report.

The Company does not have any employee whose particulars are required to be furnished under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Remuneration paid to all Key Managerial Personnel is in accordance with remuneration policy adopted by the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control system commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism for the Directors and employees to report genuine concerns about any unethical, actual or suspected fraud or violation of the Company's code of conduct. The provisions of this policy are in line with the provisions of Section 177(9) of the Act and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Whistle Blower Policy can be accessed on the Company's website.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure – I.

CASH FLOW STATEMENT

As per the requirements of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS 3) issued by the Institute of Chartered Accountants of India, is given along with the Balance sheet and Statement of Profit & Loss.

AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted an Audit Committee. Details pertaining to the composition, scope and powers of the Audit Committee together with details of the meetings held during the year under review, forms part of the Corporate Governance Report.

RISK MANAGEMENT POLICY

Your Company is faced with risks of different types all of which need different approaches for mitigation. Details of various risks faced by the Company are provided in the Management Discussion & Analysis.

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Company has adopted a Risk Management Policy which has a framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability of occurrence and the impact of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures. Existing control measures are evaluated against Critical Success factors and key performance indicators identified for those specific controls.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Appointments/ Re-appointments

Mr. Amardeep Singh Brar had resigned from directorship on 15.04.2015.

Ms. Amrit Pal Bedi was appointed as an Additional Director of the Company with effect from 28th March, 2015 and during the Annual General Meeting for 2014-15, she was appointed as an Independent Director of the Company for a period of five years commencing from September 30, 2015.

Mr. Haravtar Singh Arora is re-appointed as Managing Director of the Company for a period of five years with effect from 9th April, 2015.

In terms of Section 203 of the Act, the following were designated as KMP of your Company by the Board :

- Mr. Haravtar Singh Arora, Managing Director.
- Mr. Bharat Bhushan Goel, Chief Operating and Financial Officer.
- Ms. Puja Sharma, Company Secretary.

Mr. Ajit Pal Singh, aged 35 years, is B.Sc (IT) having rich experience in Information Technology and related Business. He is non-executive and Promoter

Director in the Company. He is neither a member nor Chairman of any Committee in any other Company. He holds 410455 Equity Shares of the Company. Mr. Ajit Pal Singh retires from office by rotation and being eligible, offers himself for re-appointment. Our Board recommends his re-appointment for your approval.

Retirement/ Resignations

Mr. Amardeep Singh Brar, Independent Directors of the Company resigned from Directorship on dated 15th April, 2015.

The Board places on record appreciation of the services rendered by him and the contribution made by him during his respective tenures.

Declaration from Independent Directors

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 stating that they meet the independence criteria as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

BOARD MEETINGS

During the year under review, 7 Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report.

BOARD EFFECTIVENESS

The Company has adopted the Governance guidelines which, inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term and Committees of the Board. It also covers aspects relating to the nomination, appointment, induction and development of Directors, Director remuneration, code of conduct, Board Effectiveness Review and mandates of Board Committees.

- A. Criteria adopted for the appointment of Directors :** The RNC is responsible for developing competency requirements for the Board level. The RNC reviews and meets the potential candidates, prior to recommending their nomination to the Board. The RNC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and SEBI Listing Regulations. The criteria for appointment of directors is based upon Independence and Competency level.
- B. Remuneration Policy :** The Company has adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and SEBI Listing Regulations. The key principles for the remuneration of

Independent Directors is that the Independent Directors may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members. The key principles governing the Company's remuneration policy for the Managing Director/ Executive Directors/ Key Managerial Personnel/ rest of the employees are as follows :

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay.
- The Company provides a fixed remuneration to MD subject to limits prescribed under Section II of Part – II of Schedule V of the Companies Act, 2013 and to the other key Managerial Personnel.

C. Board Evaluation : The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirement as prescribed under SEBI (Listing and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as the Board Composition and structures, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the Composition of the Committees, effectiveness of committee meetings, etc.

The Board and the Remuneration and Nomination Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspect of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues faced by the industry. The familiarization programme adopted by the Company is posted on the website of the Company i.e . www.jameshotels.co.in

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

MANAGERIAL REMUNERATION

Statistical disclosures pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure – II**.

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Company had, on 30th September 2014, appointed M/s Vasudeva & Associates, Chartered Accountants (Firm Registration No. 022239N) as the Statutory Auditors of the Company for a period of three years from the conclusion of 33rd Annual General Meeting of the Company upto the conclusion of 36th Annual General Meeting of the Company.

As per the provisions of Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, such appointment made by the Company shall be subject to ratification in every Annual General Meeting of the Company upto the end of the tenure of appointment of the auditors.

M/s Vasudeva & Associates, Chartered Accountants, Chandigarh have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the ratification of the appointment of M/s Vasudeva & Associates, Chartered Accountants from the conclusion of 35th Annual General Meeting until the conclusion of 36th Annual General Meeting (subject to ratification by the Members at every Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors of the Company

JAMES HOTELS LIMITED

in consultation with the Auditors.

STATUTORY AUDITORS REPORT

The Statutory Auditors of the Company, M/s Vasudeva & Associates, Chartered Accountants, have submitted the Auditors Report which has observation on Financial Statements for the period ended March 31, 2016.

MANAGEMENT'S EXPLANATION TO THE AUDITORS OBSERVATIONS :

S. No.	Auditor Remarks	Board's Comments
1.	Provision for Gratuity has been made on accrual basis. Actuarial Valuation Report as required under Accounting Standard – 15, has not been obtained.	During the F.Y 2015-16, none of the employees qualify for payment of gratuity as per "The payment of Gratuity Act, 1972". Although the Actuarial Valuation report as required under AS-15 has not been procured yet the Company has made adequate provision for gratuity.
2.	Remuneration paid to Managing Director is subject to the approval of Central Government.	The Company has applied for Central Government approval and is still pending.
3.	Defaults in repayment of dues to banks, assignment of loans granted by State Bank of India to Asset Reconstruction Company (India) Limited, United Bank of India, Punjab National Bank and Asset Reconstruction Company (India) Limited issued notices under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 against which the Company has preferred an appeal with Debt Recovery Tribunal; the matter is subjudiced. Provision for interest accrued, in absence of confirmation of balances by banks, has been made on accrual basis.	The Company has been declared as a Non Performing Asset by the Bankers in gross violation of the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Further the Banks did not sanction the requisite Working Capital Loans to the Company due to which the Financial problems mounted on the Company. State Bank of India has transferred its debt to Asset Reconstruction Company (India) Limited which is also not in accordance with the required parameters. The Lenders are now acting in consortium to grab the assets of the Company though there is no consortium agreement in between the Bankers.
4.	Contingent liabilities against the Company.	The Ultimate outcome of contingent liabilities cannot be determined and hence, provision for liability cannot be estimated at this stage.

JAMES HOTELS LIMITED

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Reena (C.P No: 13243 ACS - 35020), Practising Company Secretary to undertake the Secretarial Audit of the Company. The Practising Company Secretary has submitted the Report on the Secretarial Audit conducted by her which is annexed to this Board Report as Annexure – III.

MANAGEMENT'S EXPLANATION TO THE AUDITORS OBSERVATIONS:

The Board of Directors comments on remarks given in Secretarial Auditor's Report are as follows:

S. No.	Auditor Remarks	Board's Comments
1.	50% of public shareholding is not in Demat form.	It is beyond the control of the Company to increase the 50% public shareholding in demat form. However, the total promoters shareholding is in demat form. The Company is sending a request to the Members with the notice of this <u>Annual General Meeting to get their Shares Dematerialized</u>
2.	Notices of the Annual General Meeting were not dispatched in clear 21 days as per the requirement of Companies Act, 2013 and Listing Agreement.	Soft copy of the notices of the Annual General Meeting were dispatched to Stock Exchange and Shareholders whose email ids are registered with the RTA on 07.09.2015 with a gap of more than 21 days.
3.	Company received a Notice from Lender i.e. State Bank of India in respect of the assignment of charge, but the same has not been disclosed by the company to Stock Exchange as per the Clause 36(5) of the Listing Agreement. State Bank of India assigned their debt to the Asset Reconstruction Company (India) Limited, Mumbai and charge was modified in their favour on 20.01.2015 but the company has not effected any change in the Register of Charge.	The assignment of Charge by State Bank of India in favour of Asset Reconstruction Company (India) Limited has not been done in accordance with the laid down principles. The Company is in dispute with the Lenders for their arbitrary acts and dragging the Company into Financial Mess.
4.	There was delay in submission of Financial Results as well as their publication as per the requirement of Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter June 2015, September 2015 & March 2016.	The Company has been facing Financial Crisis due to a mess created by lenders due to which the Financial Results could not be compiled and hence there has been a delay in the submission of Financial Results.
5.	Company has not complied with the provisions Section 196,197,198 and Schedule V of the Companies Act 2013 in the matter of Appointment and Remuneration paid to the Managing Director.	The Company has complied with all the provisions and an application has been made to the Central Government for their approval which is required only because of requirement of NOC from the Lenders as they have classified the Loans of the Company as NPA. Otherwise the Remuneration being paid to the Managing Director falls within the limits specified in the Schedule V to the Companies Act, 2013.
6.	There are cases pending under Section 397 & 398 of the Companies Act, 1956 in Company Law Board at New Delhi.	The details of the matter are disclosed separately hereunder.**
7.	The company has increased Authorised share capital from Rs. 140,000,000 to Rs. 520,000,000 by passing a special Resolution dated 14 th December, 2011 by way of postal ballot, however the exact number of Equity shares & Preference shares has not been specifically classified.	The Company in the year 2011 sought the consent of shareholders for increasing the Authorized Share Capital for the purpose of issuing shares to the promoters and accordingly, the Authorized Share Capital was increased from 14 crores to 52 crores but since the very purpose of issuing shares was restrained by the Hon'ble CLB. Therefore, the Company could not pay the fees in respect of increase of Authorized Share Capital to the ROC.

JAMES HOTELS LIMITED

****DETAILS REGARDING CASES PENDING UNDER SECTION 397 & 398 OF THE COMPANIES ACT, 1956:**

The Matter which was previously being heard at Hon'ble Company Law Board, New Delhi Bench now has been transferred to National Company Law Tribunal, Chandigarh Bench. The matter relates to a frivolous complaint filed by Mr. Vikas Garg who was associated with the Company as a Company Secretary and was in charge of all the Secretarial Records and matters of the Company. Mr. Vikas Garg who was associated with the Company for long with an intent to deceive the present Promoters who took over the Company in the year 2006 fraudulently and by forging Signatures and using fabricated Common Seal created Share Certificates to benefit himself, his family Members and his Companies wherein he is the Promoter and Director. The Company after being ditched by the Bankers on non fulfillment of their commitment to sanction fresh Loan , which was also conspired by Mr. Vikas Garg in connivance with the Bank Officials, decided to allot Shares to the Promoters to infuse Capital into the Company for the betterment of the Company as well as its stake holders than Mr. Vikas Garg opened his Pandora of lies and deceit. Mr. Vikas Garg filed a petition before the Hon'ble Company Law Board, New Delhi for the stay in the allotment of Shares due to which the fresh infusion of funds could not be made in the Company which further damaged the future prospects of the Company and deepened its Financial Crisis causing a loss not only to the Company and its promoters but also the Stake Holders at large. The allotment of new shares by the Promoters was in compliance to meet the Banks Stipulation to meet the debt equity ratio for further funding, which was put in abeyance because of filing of the case in Hon'ble CLB by Mr. Vikas Garg to which SBI was also dragged as a party in the said case.

To harass the promoters of the company with an intent to grab the property of the Company Mr. Vikas Garg has made frivolous and false complaint to every concerned department just to harass the promoters and to bring the operations of the Company to halt. With strong determination and with an intent to run the Company to the benefit of its stake holders the Company's management has represented against all such frivolous and false allegations and is fighting all the battles with strong grit and determination. Many of these complaints have fallen flat and rest will also die their own death.

The Company had made a complaint to the Institute of Company Secretaries of India against Mr. Vikas Garg highlighting all his misdeeds with the supporting evidence. As Mr. Vikas Garg had nothing to prove against the allegations he preferred to surrender his Membership of the Institute of Company Secretaries of India.

The facts regarding the litigation going on under Section 397 & 398 of the Companies Act, 1956 as pointed by the Secretarial Auditor have been detailed for the Stake Holders to know the malicious intent of Mr. Vikas Garg who under the garb of his Professional Competence has made Company suffer huge losses and has dragged the Company into multiple litigations which has resulted in huge losses to the Company and its Stake Holders.

INTERNAL AUDITOR

M/s Arvind Singla & Associates performs the duties of internal Auditors of the Company and their report is reviewed by Audit Committee from time to time.

CORPORATE GOVERNANCE

The Company is in compliance with the requirements of Corporate Governance mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has documented the Insider Trading Code and Code of Conduct as part of Internal policies; the same are placed on website of the Company at www.jameshotels.co.in. Corporate Governance Report along with certificate of compliance forms an integral part of this Report pursuant to the requirements of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year which forms an integral part of this report provides a detailed analysis on the performance of business and its outlook.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment policy at the workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

POLICY FOR PREVENTION OF INSIDER TRADING

Pursuant to SEBI(Prohibition of Insider Trading) Regulations, 2015, the Company has framed a) Code of Conduct for Regulating and Reporting Trading by Insiders and b) Policy for Fair Disclosure of UPSI. The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an Insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) FORMING PART OF THE BOARD'S REPORT

ENERGY CONSERVATION

a) Energy Conservation Measures Taken

The Business Unit has made efforts to improve energy usage efficiencies and increase contributions from renewable sources of energy. Some of the measures adopted by the Company are as follows :

1. Improvement in energy usage efficiencies of lighting systems by changing over to higher efficiency lighting solutions such as Light Emitting Diodes and increased daylight harvesting systems.
2. Reduction in lighting and air conditioning loads by installation of automated controls & sensors.
3. Installation of solar based power plants in the unit.
4. Install variable frequency drives to match output drives to changing load patterns and thereby optimize energy consumption.
5. Reuse of STP water for the gardening purpose.
6. In place of 11W Innova Lamps & 12V-50W Halogen Lamps, 12V-5W LED Lamps have been used.
7. 5 Kg Electrical Steam Boiler is used in emergency Guest Laundry to avoid excess diesel consumption.

Energy conservation measures taken have resulted in savings in energy costs and helped partially offset the inflationary trend in fuel/ electricity.

b) Power and Fuel Consumption:

1. Electricity:

a) Purchased Units (KWH in Lakhs)	-	23.51
Total Amount (Rs. In Lakhs)	-	152.79
Rate per Unit (Rs.)	-	6.50
b) Own Generation through Diesel Generator		
Units (KWH in Lakhs)	-	0.16
Units/ Litre of Diesel Oil	-	3.16
Cost / Unit (Rs.)	-	16.30
c) HSD consumed for Boilers	-	0.57
Total Cost	-	29.82

JAMES HOTELS LIMITED

2. Coal:

Quantity (KG)	-	33420
Total Cost (Rs.)	-	808080
Average Rate (Rs. Per KG)	-	24

3. LP Gas:

Quantity (MT)	-	34.75
Total Cost (Rs. In Lakhs)	-	19.56
Rate per Tonne (Rs. Per MT)	-	56287

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars regarding the Foreign Exchange Earnings and Outgo is given below :

	31 st March, 2016 Rs. In Lacs	31 st March, 2015 Rs. In Lacs
EARNINGS		
c) Earnings in Foreign currency Room Rent, Banquets & other income (USD 74428.36)	86.18	45.90
Total Earnings	86.18	45.90
EXPENDITURE		
a) CIF Value of Imports	00.00	00.00
b) Expenditure in Foreign currency - Travelling & Conveyance (Directors) (GBP 7374.59)	7.28	00.00
- Commission, Rebate & Discount (USD 4454.66)	2.95	4.89
Total Expenditure	10.23	4.89

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, the Directors of the your Company confirm that:

- i) In preparation of the annual accounts for the financial year ended 31st March, 2016, 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.
- v) The Directors have laid down internal financial controls for the Company which are adequate and are operating effectively.
- vii) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

ACKNOWLEDGEMENT

The Directors take this opportunity to acknowledge the support of its Stake Holders and the concerned departments.

The Directors also place on record their sincere appreciation for the support extended by all its employees in the difficult times and acknowledge their level of commitment to the Company..

By order of the Board of Directors
for **James Hotels Limited**

Sd/-

Haravtar Singh Arora
(Chairman Cum Managing Director)
DIN - 00592496

Place: Chandigarh
Date: 20.08.2016

JAMES HOTELS LIMITED

Annexure - I

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- i) CIN : L55101CH1980PLC004249
ii) Registration Date : 25.08.1980
iii) Name of the Company : James Hotels Limited
iv) Category : Public Company Limited by Shares
v) Sub-category of the Company : Indian Non-Government Company
vi) Address of the Registered Office Block No. 10, Sector – 17A,
Chandigarh and contact details
:Tel : 0172 – 6600000, Fax – 6600001.
vii) Whether listed Company : Yes
viii) Name, Address and Contact Skyline Financial Services P. Ltd.
details of the Registrar and Transfer D-153A, 1st Floor, Okhla
Agent, if any Industrial Area, Phase – 1,
New Delhi – 110020.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as under :

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% of total turnover of the Company
1.	Accommodation Services	551	54.55
2.	Restaurant Services	561	40.49

III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES

N.A

IV.

- i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

JAMES HOTELS LIMITED

Category Wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (i.e as on 01.04.2015)				No. of shares held at the end of the year (i.e as on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	824840	0	824840	10.31	824840	0	824840	10.31	00.00
b) Central Govt.	0	0	0	0	0	0	0	0	00.00
c) State Govt (s)	0	0	0	0	0	0	0	0	00.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	00.00
e) Banks/ FI									
f) Any other									
Sub Total (A) (1)	824840	0	824840	10.31	824840	0	824840	10.31	00.00
(2) Foreign									
a) NRIs Individuals	3365430	0	3365430	42.07	3411430	0	3411430	42.64	0.57
b) Other Individuals	0	0	0	0	0	0	0	0	00.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	00.00
d) Banks/ FI	0	0	0	0	0	0	0	0	00.00
e) Any other	0	0	0	0	0	0	0	0	00.00
Sub Total (A) (2)	3365430	0	3365430	42.07	3411430	0	3411430	42.64	0.57
Total Shareholding of	4190270	0	4190270	52.38	4236270	0	4236270	52.95	00.57
Promoter/ Promoter Group (A)-(A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	00.00
b) Banks/ FI	0	1100	1100	0.01	0	1100	1100	0.01	00.00
c) Central Govt.	0	0	0	0	0	0	0	0	00.00
d) State Govt(s)	0	0	0	0	0	0	0	0	00.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	00.00
f) Insurance Companies	0	0	0	0	0	0	0	0	00.00
g) FII	0	0	0	0	0	0	0	0	00.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	00.00
i) Others (specify)	0	0	0	0	0	0	0	0	00.00
Sub Total (B)(1)	0	1100	1100	0.01	0	1100	1100	0.01	00.00

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2. Non-Institutions									
a) Bodies Corp.									
i) Indian	252002	136600	388602	4.86	225757	136600	362357	4.53	(0.33)
ii) Overseas	0	0	0	0					
b) Individuals									
i) Individual shareholder holding nominal share capital upto Rs.2 Lakh	253105	1299619	1552724	19.41	252273	1274019	1526292	19.08	(0.33)
ii) Individual shareholder holding nominal share capital in excess of Rs. 2 Lakh.	882942	981161	1864103	23.30	948914	923561	1872475	23.40	0.11
c) Others (specify)	0	0	0	0	0	0	0	0	0
i. Trusts	0	0	0	0	0	0	0	0	0
ii. Directors & relatives	0	0	0	0	0	0	0	0	0
iii. Foreign Nationals and Non Residents	1150	0	1150	0.01	300	00	300	0.00	(0.01)
iv. Clearing members	2551	0	2551	0.03	1706	00	1706	0.02	(0.01)
v. HUFs									
Sub -Total (B)(2)	1391750	2417380	3809130	47.61	1428950	2334180	3763130	47.04	(0.57)
Total Public Shareholding (B)=(B)(1) + (B)(2)	1270150	2540080	3810230	47.62	1430050	2335280	3764230	47.05	(0.57)
Total (A) + (B)	5460420	2540080	8000500	100.00	5665220	2335280	8000500	100.00	(0.57)
C. Shares held by Custodian for GDRs & ADRs - Public	0	0	0	0	0	0	0	0	00.00
Grand Total (A +B + C)	5460420	2540080	8000500	100.00	5665220	2335280	8000500	100.00	0.00

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ii) Shareholding of Promoters

S. No.	Name of Promoter	Shareholding at the beginning of the year (i.e 01.04.2015)			Shareholding at the end of the year (i.e 31.03.2016)			% Change in Shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Mr. Ajmair Singh Bhullar	2093170	26.16	15.00	2116170	26.45	15.00	1.1
2.	Mr. Haravtar Singh Arora	1272260	15.90	15.00	1295260	16.19	15.00	1.8
3.	Mr. Ajit Pal Singh	410455	5.13	00.00	410455	5.13	00.00	00.00
4.	Mr. Kanwaljit Singh	164181	2.05	00.00	164181	2.05	00.00	00.00
5.	Mr. Gurdit Singh	82093	1.03	00.00	82093	1.03	00.00	00.00
6.	Mr. Paramjit Singh	164611	2.06	00.00	164611	2.06	00.00	00.00
7.	Mr. Bhupinder Singh	3500	0.04	00.00	3500	0.04	00.00	00.00
	Total	4190270	52.38	30.00	4236270	52.95	30.00	2.9

JAMES HOTELS LIMITED

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

S. No.	Name of the Promoter At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g allotment/ transfer/ bonus/ sweat equity etc.) At the end of the year				
1	Mr. Ajmair Singh Bhullar	2093170	26.16	2116170	26.45
2	Mr. Haravtar Singh Arora	1272260	15.90	1295260	16.19

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

S. No.	Folio No. / Client Id	Name	No. of shares at the beginning(01.04.2015)/ end of the year (31.03.2016)		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	6491	Sarabjeet Singh	176500	2.21	31/03/2015	0	No movement		
			176500	2.21	31/03/2016			176500	2.21
2.	IN300888 13297742	Surinder Kumar Madan	176000	2.2	31/03/2015				

JAMES HOTELS LIMITED

					19/06/2015	1000	Purchase	177000	
					25/09/2015	18500	Purchase	195500	
			195500	2.44	31/03/2016			195500	2.44
3.	IN301774 10776735	Vikas Garg	145700	1.82	31/03/2015				
					19/06/2015	600	Purchase	146300	
			146300	1.83	31/03/2016			146300	1.83
4.	12047900 00071460	Kanwaljee t Kaur	116733	1.46	31/03/2015				
					07/08/2015	65700	Purchase	182433	2.28
					30/10/2015	46000	Sale	136433	1.71
					06/11/2015	21687	Purchase	158120	1.98
					04/12/2015	51000	Purchase	209120	2.61
					18/03/2016	4837	Purchase	213957	2.67
			213957	2.67	31/03/2016	213957		213957	2.67
5.	IN201774 16016386	Northland Avenues	110000	1.37	31/03/2015				
			110000	1.37	31/03/2016	0	No movement	110000	1.37
6.	6494	Jasjeet Singh	93700	1.17	31/03/2015				
			93700	1.17	31/03/2016	0	No movement	93700	1.17
7.	6300	Sandhu Resorts Private Limited	93500	1.17	31/03/2015				
			93500	1.17	31/03/2016	0	No movement	93500	1.17
8.	IN300118 10008767	Vijay Trehan	91795	1.15	31/03/2015				
					05/06/2015	672	Purchase	92467	1.16
			92467	1.16	31/03/2016			92467	1.16
9.	6492	Navpreet	79400	0.99	31/03/2015				
			79400	0.99	31/03/2016	0	No movement	79400	0.99
10.	6496	Kamaljit Singh	76500	0.96	31/03/2015				
			76500	0.96	31/03/2016	0	No movement	76500	0.96

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Shareholding of Directors and Key Managerial Personnel

Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Haravtar Singh Arora	1272260	15.90	1295260	16.19
Ajit Pal Singh	410455	5.13	410455	5.13

Note : No shares are being held by any of the KMPs except mentioned above.

v) **Indebtedness of the Company including interest outstanding/ accrued but not due for payment :**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1,050,847,124	23,162,704	NIL	1,074,009,828
Change in indebtedness during the financial year	127,989,194	(23,162,704)	NIL	
Indebtedness at the end of the financial year	1,178,836,318	0	NIL	1,178,836,318

vi) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole Time Directors and/or Manager :

Rs. in Laes

S. No.	Particulars of Remuneration	Haravtar Singh Arora as Managing Director and Chairman	Total
1.	Gross Salary	15.00	15.00
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.		
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	Nil	Nil
	c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	a) as % of profit	Nil	Nil
	b) others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total	15.00	15.00

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B. Remuneration to other Directors :

Independent Directors

S. No.	Name	Fees for attending Board/ Committee Meetings	Total Managerial Remuneration	Overall ceilings
1	Neeraj Mohindroo	155000	155000	As per Act
2	Amit Julka	155000	155000	As per Act
3	Ms. Amrit Pal Bedi	-----	-----	-----

Ms. Amrit Pal bedi has forgone to receive the fees for attending the Board/ Committee meetings. She had not accepted any sitting fees during the financial year 2015-16

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

S. No.	Particulars of Remuneration	Mr. B.B Goel Chief Operating and Financial Officer	Ms. Puja Sharma Company Secretary
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1515000/-	410000/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	nil	nil
	c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	nil	nil
2.	Stock Option	/-	
	Total	1515000/-	410000/-

vii) Penalties/ Punishment/ Compounding of Offences :

No Penalties/ Punishment has been levied on the Company, Directors or officers in default under Companies Act, 2013 during the current financial year under review and no compounding of offences has been done during the current financial year

JAMES HOTELS LIMITED

ANNEXURE – II Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a. The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year.
- b. The percentage increase in Remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year.
- c. Comparison of the Remuneration of each Key Managerial Personnel against the performance of the Company

Whole Time Directors and KMPs	Remuneration in 2015-16 (Rs. in Lakhs)	Remuneration in 2014-15 (Rs. in Lakhs)	% increase of remuneration in 2016 as compared to 2015	Ratio to median Remuneration	Ratio of 2015-16 Remuneration to	
					Revenue	Profit
Mr. Haravtar Singh Arora – MD	15.00	15.00	No increase	122.93	0.73	(0.75)
Mr. B.B Goel – Chief Operating and Financial Officer	15.15	9.46	60.15	124.16	0.74	(0.75)
Ms. Puja Sharma – Company Secretary	4.10	3.15	30.16	33.60	0.19	(0.20)

Independent Directors : The Independent Directors are only paid sitting fees for attending Board and Committees Meetings of which they may be members.

- d. The Percentage increase in the median remuneration of employees in the financial year was 22.81 .
- e. The number of permanent employees on the rolls of the Company were 202 in number.
- f. The explanation towards the relationship between average increase in remuneration and Company Performance.

JAMES HOTELS LIMITED

The overall percentage increase of 5.98 has been primarily provided to offset the inflation cost, increase in cost of living expenses and to retain the talent.

g. Comparison of the Remuneration of the Key Managerial Personnel with regard to the performance of the Company :

Particulars	Rs. in Lakhs
Aggregate Remuneration of KMP in 2015-16	34.25
Full Year Revenue	2052.86
% to Revenue	1.67
Profit before Tax and Exceptional items	(2009.49)
% to above	(1.70)

- h. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

The market capitalization of the Company as at March 31, 2016 is Rs. 25.68 Crore as against Rs. 40.20 Crore as at March 31, 2015.

The Last public offer for the shares of the Company was an offer for acquisition of shares in 2006, for 1600100 equity shares of the Company at a price of Rs. 18 per fully paid up share.

- i. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year is 9.05 and percentile increase in Managerial Remuneration is 34.
- j. The key parameters for any variable component of remuneration availed by the Directors.**

Independent Directors :

The sitting fees to the Independent Directors is paid on the basis of number of meetings of the Board and the Committees of the Board attended.

- k. The ratio of the Remuneration of the highest paid Director to that of the employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year :

Highest Paid Director is the Managing Director of the Company. The Highest

paid employee is the General Manager whose remuneration is more than the remuneration of the Managing Director and the ratio of remuneration of Managing Director to that of the General Manager is 0.68.

- i. It is affirmed that the Remuneration is as per Remuneration Policy for Directors, Key Managerial Personnel and other employees adopted by the Company.

ANNEXURE - III

Secretarial Audit Report

(For the period from 01/04/2015 to 31/03/2016)

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

To,

The Members
James Hotels Limited
CIN L55101CH1980PLC004249
Chandigarh

Dear Sir(s)

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

Based on our verification of the **M/s James Hotels Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31/03/2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **James Hotels Limited** ("**the Company**") for the financial year ended on **31/03/2016** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : **(Not applicable to the Company during the audit period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and: **(Not applicable to the Company during the audit period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the audit period)**
- Vi) Based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:-
- i. Labour Laws and other incidental Laws related to labour and employees

appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.:

- ii. Acts prescribed under prevention and control of pollution.
- iii. Acts prescribed under environmental protection
- iv. Chimney under Smoke Nuisance Act,
- v. Copyrights Act, 1957
- vi. Food Safety and Standard Act, 2006
- vii. Luxury Tax License
- viii. Legal Metrology Act, 2009
- ix. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008.
- x. Registration under Weights & measures Act.
- xi. Municipal Beer Bar License & Bar License (Foreign Liquor).
- xii. License from communication & IT Department.
- xiii. Copy Right License for playing Music

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above *subject to the following observations/qualifications:-*

1. 50% of public shareholding is not in Demat form.
2. Notices of the Annual General Meeting were not dispatched in clear 21 days as per the requirement of Companies Act, 2013 and Listing Agreement.
3. Company received a Notice from Lender i.e. State Bank of India in respect of the assignment of charge, but the same has not been disclosed by the company to Stock Exchange as per the Clause 36(5) of the Listing Agreement. State Bank of India assigned their debt to the Asset Reconstruction Company (India) Limited, Mumbai and charge was modified in their favour on 20.01.2015 but the company has not effected any change in the Register of Charge.
4. There was delay in submission of Financial Results as well as their publication as per the requirement of Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter June 2015, September

2015 & March 2016.

5. Company has not complied with the provisions Section 196,197,198 and Schedule V of the Companies Act 2013 in the matter of Appointment and Remuneration paid to the Managing Director.
6. There are cases pending under Section 397 & 398 of the Companies Act, 1956 in Company Law Board at New Delhi.
7. The company has increased Authorised share capital from Rs. 140,000,000 to Rs. 520,000,000 by passing a special Resolution dated 14th December, 2011 by way of postal ballot, however the exact number of Equity shares & Preference shares has not been specifically classified.

2. We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period, there were no instances of:

- (i) Resolutions under Section 180 of the Companies Act, 2013.
- (ii) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (iii) Redemption / buy-back of securities.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations

**FOR REENA & ASSOCIATES,
COMPANY SECRETARIES**

Place: Chandigarh
Dated: 16/08/2016

Sd/-
REENA, ACS
COMPANY SECRETARY
CP No. 13243

[

Annexure A

To,

The Members,
James Hotels Limited
Chandigarh

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR REENA & ASSOCIATES,
COMPANY SECRETARIES**

Sd/-

**REENA, ACS
COMPANY SECRETARY
CP No. 13243**

**Place: Chandigarh
Dated: 16/08/2016**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16

The Indian Economy is growing at a rapid pace of 7.6%. The Services Sector is expected to grow at a faster pace in the times to come. The onset of reforms by the Government and relaxation in FDI norms in all sectors will further boost the Economy. The Government has enacted Goods and Service Tax legislation which on introduction will help in boosting the economy further.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is Rs 113.5 trillion (US\$ 1.668 trillion), as against Rs 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6 per cent. The economic activities which witnessed significant growth were financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

The services sector contributed US\$ 783 billion to the 2014-15 GDP (at constant prices) growing at Compound Annual Growth Rate (CAGR) of 9 per cent, faster than the overall GDP CAGR of 6.2 per cent in the past four years.

HOSPITALITY AND TOURISM INDUSTRY

The travel and tourism industry has become one of the largest and fastest growing economic sectors globally. Its contribution to the global Gross Domestic Product (GDP) and employment has increased manifold.

For India, the direct contribution of travel and tourism to GDP is expected to grow 7.2 per cent per annum to US\$ 88.6 billion (2.5 per cent of GDP) by 2025. The travel and tourism industry in India entailing domestic and international inbound travel is projected to increase at a CAGR of 12 percent to 27.5 billion in 2016 from \$19.7 billion in 2013. At the same time, rising income levels, altering lifestyles, growth of varied tourism offerings and strategy and regulatory backing by the government are playing a focal role in modeling the travel and tourism sector in India.

The growth opportunities in the travel and tourism can be understood only with the progress of the hospitality sector. With the high amount of tourist inflows over the past few years, it is a major contributor to Indian economy.

The hospitality industry helps in the revival of the economy. The impact of technology to reach out to millions has added a fast and exciting boost to the economy. Technology is improving customer experience, operations and several other aspects. With the dawn of the groundbreaking enterprise solutions, the hospitality scene in India is improving.

JAMES HOTELS LIMITED

PRESENT STATUS

The Company's name comes in one of the prestigious hotels in the Hospitality Sector. The Management is committed to be one of the best in this sector and is fighting against all odds to run the Hotel successfully.

FINANCIAL PERFORMANCE

	(Rs.inLakhs)	(Rs.inLakhs)
	2015-16	2014-15
Revenue	2052.86	2078.93
Total Revenue	2052.86	2078.93
TotalExpenditure	2904.15	2912.38
Depreciation	1158.21	1492.25
Exceptional items		0.68
Profit on sale of fixed assets	-----	
GrossProfit/(Loss)beforeTax	(2009.50)	(2325.02)
ProvisionforIncomeTax	-----	4.45
Surplus/(Deficit)	(2009.50)	(2329.47)

SECURED LOANS

The total amount of Secured loans as per the figure in the Balance Sheet are Rs. 11788.36 Lacs including vehicle loan of Rs. 6.77 Lacs. The amount of Secured Loans include Current Maturities of Rs. 873.70 Lacs, Interest accrued and due of Rs. 2803.94 Lacs and Instalments due of Rs. 1016.16 Lacs, after which the net amount of Secured Loans is Rs. 7094.56 Lacs. The Secured loans except vehicle loans are availed from State Bank of India, Punjab National Bank and United Bank of India. State Bank of India has assigned its debt to Asset Reconstruction Company (India) Limited.

FIXED ASSETS NET BLOCK

The Net Block of Fixed Assets decreased from Rs, 133,55.71 lacs to Rs. 122,19.24 lacs during the Financial Year ended on 31st March, 2016.

INVESTMENTS

The company has not made any investments during the year.

NET CURRENT ASSETS

The Net Current Assets has increased from Rs.645.17 Lacs to Rs. 878.15 Lacs during the current Financial year ended on 31st March, 2016.

RESULTS OF OPERATIONS

The Company has total income of Rs. 2052.87 Lacs during the year under review which includes Operating revenue of Rs. 2035.01 Lacs and other income of Rs. 17.85

Lacs. The loss for the year is Rs.2009.50 Lacs as compared to loss of Rs. 2329.47 Lacs in the previous year. The company cannot recommend dividend due to losses.

RISKS, CONCERNS AND THREATS

Historically, building a good hotel has always been a huge task, but in these times of 21st century it is gigantic due to manifold increase in the prices of nearly each and everything that is required to make a hotel of the best standards. Hotels usually are a spectacular display of architecture combined with luxury at its best and conventionally are built in accord with the contemporary and futuristic designs with distinction for not only the exterior outlook but at the same time interiors are also given a chic and edgy styles with an intricate eye for details on every aspect. Hotel Industry is ever evolving, ever changing not by its nature but due to the need of an hour. New and progressive concepts like Boutique Hotels, Green Hotels, and Healthy Hotels have emerged in the market with time, leading to the evolution and growth of new trends in the hotel industry.

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.

OUTLOOK FOR 2016-17

The industry is expected to generate 13.45 million jobs! across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry to meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

The key drivers for international travel demand growth to India include the easier visa regime, Swachh Bharat Abhiyan, Make in India, Startup India and other similar initiatives which are expected to build a positive global image for the Country and will have a long term impact for the travel and tourism industry. The number of tourists arriving on e-Tourist Visa during the month of October 2015 reached a total of 56,477 registering a growth of 1987.9 per cent or ~21 times as compared to 2,705 tourists in October 2014.

Online hotel bookings in India are expected to double by 2016 due to the increasing penetration of the internet and smart phones.

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 unauthorized use or disposing and that transactions are authorised, recorded and reported correctly.

The internal control is supplemented by policies, guidelines and procedure and an extensive programme of internal and external audit and periodic review by

management. The system is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability for assets.

The Audit Committee review the quarterly, half yearly and annual financial statements before these are submitted to the Board and ensures compliance of internal control system.

The Internal Auditors of the Company had conducted exhaustive internal audits pertaining to all operational areas and their reports were placed before the Audit Committee for its review and recommendations.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Industrial relations with the employees were cordial. Company's key business strategy is to empower every employee to be a leader in its stride towards total quality. The Company draws its strength from a highly engaged and motivated workforce. The Company always strives to retain the best talent as per its remuneration policy. The Company has workforce of 244 employees (including 42 contracted employees).

CAUTIONARY STATEMENTS

Statements in the Management Discussion and Analysis are based on information available on different sites, certain assumptions and expectations of future events over which the Company exercise no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. Actual results could differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment. Keeping the same in mind, your Company continues to lay great emphasis on the highest standards of Corporate Governance which are an integral part of the Company's activities to ensure efficient conduct of the Company's affairs, without compromising its core values.

Pursuant to SEBI(LODR) Regulations, 2015, your Company has executed fresh Listing Agreement with the Stock Exchanges.

The Company has complied with the requirements of Corporate Governance as stipulated under Clause 49 of the Erstwhile Listing Agreement and those specified under the SEBI Listing Regulations, as applicable, the details of which are as under :

BOARD OF DIRECTORS

1. The Board consisted of five Directors as on 31st March, 2016. The Board comprises Executive, Non-Executive as well as Independent Directors. Half of the Board of Directors comprises of Independent Directors of which one is a woman director, with Chairman being an Executive Director. The composition of the Board is in accordance with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. The Director seeking re-appointment have been attached along with the Notice of the Annual General Meeting.
2. "Independent Director" i.e Directors who apart from receiving Director's remuneration, donot have any material pecuniary relationships or transactions with the Company, its promoters, its Directors or its Senior Management, which may affect the independence of the Director. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company.
3. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and the SEBI Listing Regulations.
4. None of the Directors hold directorships in more than twenty Companies including ten public limited Companies. Further, none of them serve as Members of more than ten Committees nor are any of them serving as Chairman of more than five Committees, as per the requirements of the SEBI Listing Regulations. "Committees" for this include Audit Committee and the Stakeholders Relationship Committee as per the SEBI Listing Regulations.
5. None of the Directors serve as Independent Directors in more than seven listed

Companies.

6. During the Year 2015-16, the Board met **Seven** times on 16.04.2015, 30.05.2015, 01.08.2015, 25.08.2015, 14.11.2015,13.02.2016 and 28.03.2016. The maximum time gap between any two meetings was not more than four calendar months. The necessary quorum was present for all the meetings. As required under the SEBI Listing Regulations, all the necessary information was placed before the Board from time to time. A detailed explanation in the form of a table is given on next page for ready reference.
7. None of the Directors are related to each other except Mr. Haravtar Singh Arora and Mr. Ajit Pal Singh. Mr. Ajit Pal Singh being a nephew of Mr. Haravtar Singh Arora.
8. During the year, a separate meeting of Independent Directors was held on 12.12.2015 to review the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole, which was attended by all the Independent Directors. The process for evaluation of Board performance, Non-Independent Non-Executive Directors and the Board Chairman is detailed in the Board's Report.
9. The Company has an appropriate induction programme for new Directors and an ongoing familiarization programme with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. The details of the familiarization programme are disclosed on the Company's website :www.jameshotels.co.in.
10. The Independent Directors of the Company are paid sitting fees @ Rs. 10000/- for attending the meetings of the Board and Rs. 5000/- for meetings of the Committees.
11. The Company has adopted a Code of Conduct for its Directors, Senior Management and all the employees of the Company. Due Compliance of the same is affirmed by all the employees, Senior Management and Directors.
12. Other than the transactions entered into in ordinary course of business, the Company has not entered into any materially significant transaction which could have a potential conflict between the Company and its Promoters, directors, Management and/or relatives.
13. The Company has established a Vigil Mechanism / Whistle Blower Policy to enable stakeholders to report unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides adequate safeguards against victimization. The Whistle Blower Policy has been placed on the Company's Website www.jameshotels.co.in.

JAMES HOTELS LIMITED

Name	Category	Board Meeting attendance during tenure of directorship		AGM Attendance	No. of other Directorship in Outside Companies	No. of other Committees position held in Outside Companies	
		Held	Attended			Member	Chairman
Mr. Haravtar Singh Arora	Promoter & Managing Director	7	6	Yes	-	-	-
Mr. Neeraj Mohindroo	Non-Executive & Independent Director	7	7	Yes	-	-	-
Mr. Ajit Pal Singh	Promoter Director	7	6	No	-	-	-
Mr. Amit Julka	Non-Executive & Independent Director	7	7	Yes	-	-	-
Ms. Amrit Pal Bedi	Non-Executive & Independent Director	7	5	Yes	--	--	--

COMMITTEES OF THE BOARD :

Your Company has following Board level Committees :

1. Audit Committee
2. Shareholders Grievance Committee
3. Remuneration and Nomination Committee

1. AUDIT COMMITTEE:

As on 31st March, 2016, the Audit Committee comprised of Mr. Neeraj Mahindroo,

JAMES HOTELS LIMITED

Chairman and Mr. Amit Julka, Mr. Haravtar Singh Arora, Ms. Amrit Pal Bedi, Members. Mr. Neeraj Mahindroo possesses required financial and accounting knowledge. Chairman of Audit Committee was present at the Annual General Meeting.

Meetings Held during the Year

During the financial year 2015-16, 4 (four) meetings of the Audit Committee were held on 26.05.2015, 01.08.2015, 14.11.2015 and 13.02.2016.

Name of Director	Category	Number of meetings Held during membership	Number of meetings attended
Mr. Neeraj Mahindroo (Chairman)	Non-Executive and independent	4	4
Mr. Amit Julka (Member)	Non-Executive and independent	4	4
Mr. Haravtar Singh Arora (Member)	Promoter and Executive	4	3
Ms. Amrit Pal Bedi	Non- Executive and Independent	4	2

Terms of Reference

The terms of reference of the Audit Committee are in consonance with the Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013 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. 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 there on.
- *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.

The details of all significant transactions with related party are periodically placed before the Audit Committee. Related party transactions are disclosed in the Notes to Accounts.

1. REMUNERATION AND NOMINATION COMMITTEE

As on 31st March 2016, the Remuneration and Nomination Committee of the Company comprises of three Independent Directors namely Ms. Amrit Pal Bedi, Chairman, Mr. Amit Julka, Mr. Neeraj Mohindroo and one Promoter Director Mr. Ajit Pal Singh, Members.

The terms of reference and the powers of the Remuneration and Nomination Committee are in conformity with the SEBI Listing regulations and Section 178 of the Companies Act, 2013 including Remuneration Policy of the Company.

Remuneration Policy

The Board on the recommendation of the Remuneration and Nomination Committee formulated the policy relating to the remuneration of the Directors, key managerial personnel and other employee in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement.

During the year, 01 meeting of the Committee was held which was attended by all the members.

Independent Directors are being paid Sitting Fees of Rs. 10,000/- for each Board Meeting and of Rs. 5000/- for each Committee Meetings. The Details of sitting fees paid (excluding Service tax) to the Independent Directors during the year 2015-16 are as under:

JAMES HOTELS LIMITED

Sr.	Name of Director	Sitting Fee Paid for Rs.	
		Board Meetings	Committee Meetings
1	Mr. AmitJulka	70,000	85,000
2	Mr. NeerajMahindroo	70,000	85,000
	Total	1,40,000	1,70,000

*Ms. Amrit Pal Bedi has forgone to receive the sitting fees for the Board & Committee meetings. She had not accepted any sitting fees during the financial year 2015-16.

3. SHAREHOLDER'S/ INVESTORS GRIEVANCE COMMITTEE

Composition

The Shareholders/Investor's grievance committee of the Board presently comprises of Four Directors namely Mr. Amit Julka (Chairman), Mr. Neeraj Mohindroo, Mr. Ajit Pal Singh and Ms. Amrit Pal Bedi, Members of the Committee.

Terms of Reference

The Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of shares of the Company. The Committee also looks into redressal of investors complaints related to transfer of shares, non- receipt of Balance sheet etc. The Committee also oversees the performance of Registrar and Transfer agent of the Company, and recommends measures for overall improvement in investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI(Prohibition of Insider Trading) Regulations, 1992. M/s Skyline Financial Services Private Ltd. has been acting as Registrar and Transfer Agent of the Company.

Meetings

Twelve meetings of the Shareholders/ Investors Grievance Committee were held during the F.Y 2015-16. The Attendance of each member at the SIGC meeting held during the Year:

Name of Director	Category	Number of meetings Held during membership	Number of meetings attended
Mr.Amit Julka (Chairman)	Non-Executive and independent Director	12	12
Ms. Amrit Pal Bedi (Member)	Non-Executive and independent Director	12	6
Mr.Ajit Pal Singh (Member)	Promoter and Non-Executive Director	12	9
Mr. Neeraj Mohindroo (Member)	Non-Executive and independent Director	12	12

JAMES HOTELS LIMITED

The Status of Complaints Received/Replied / Resolved by the Company during the financial year 2015-16 is given below:

S. No.	Nature of Complaint	Received	Resolved/ Replied
1	Others	5	5
	Total	5	5

GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time	No. of Special resolutions passed
2014-15	Indira Holiday Home, Sector-24-B, Chandigarh	30-09-2015	11 A.M	2
2013-14	Indira Holiday Home, Sector-24-B, Chandigarh	30-09-2014	10 A.M	2
2012-13	Indira Holiday Home, Sector-24-B, Chandigarh	30-09-2013	10 A.M	NIL

b) No Extra Ordinary General Meetings of the members was held during the year 2015-16.

c) **POSTAL BALLOT**

No Resolution was passed through postal ballot during the Financial Year ended 31.03.2016.

DISCLOSURES

D) **Related Party Transactions** : In compliance with Accounting Standard – 18 and the Companies Act, 2013, the disclosures in respect of Related Party and transactions pertaining to related parties are given under Notes to Accounts to the Balance sheet as at 31st March, 2016 and the Profit & Loss Account for the Period ended on that date. The Policy on Related Party Transactions is placed on Company's website www.jameshotels.co.in

ii) **Accounting Treatment:** Suitable disclosures have been made in the Financial Statements, together with the Management's explanation in the event of any treatment being different from that prescribed under Accounting Standards 29.

iii) **Management:** Management Discussion and Analysis Report comprising of all information as prescribed under clause 49 (VIII)(D) of the Listing Agreement forms part of the Annual Report.

iv) **Conflict of Interest:** Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

v) **CEO/CFO Certification:** CFO of the Company Mr. Bharat Bhushan Goel give annual certification on financial reporting and internal controls to the Board. The annual certificate given by the CFO is published in this report.

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 Regulations. However, there was delay in submission and publication of financial results for three quarters. Additionally, the results and other important information is also published on the Company's website :www.jameshotels.co.in.

GENERAL SHARE HOLDER'S INFORMATION:

i) Annual General Meeting

Date : Friday, 30th September, 2016
Time : 11.00 A.M.
Venue : INDIRA HOLIDAY HOME, Sector-24-B, Chandigarh

ii) Financial Calendar

Financial Year : 1st April, 2015 to 31st March, 2016

Financial Calendar for the year 2016-17

Results for quarter ending 30 th June, 30 th September, 31 st December	Within 45 days from the end of the quarter
Audited Yearly Results	Within 60 days from the end of the financial year

iii) Date of Book Closures

The Register of Members and Share Transfer Register have remained closed from 21st September, 2015 to 30th September, 2015 (both days inclusive) for the purpose of Annual General Meeting.

JAMES HOTELS LIMITED

iv) Dividend Payment Date: Not Applicable

v) Listing on Stock Exchanges and Stock Code

The Company's equity shares are listed on the Bombay Stock Exchange Limited with stock code 526558. The ISIN No. of the Company is **INE510D01014**. The shares are traded on Bombay Stock Exchange Ltd w.e.f. 29.01.2010.

vi) Market Price Data

MONTH	OPEN	HIGH	LOW	CLOSE	VOLUME
APRIL, 2015	50.25	65.90	50.25	61.10	24,521
MAY, 2015	64.15	64.15	43.25	43.25	12,351
JUNE, 2015	41.50	48.60	39.00	48.60	3,149
JULY, 2015	48.00	56.15	42.75	48.30	3,534
AUGUST, 2015	48.25	50.50	39.75	39.75	734
SEPT., 2015	37.80	49.00	37.80	44.25	3,369
OCT, 2015	42.05	42.05	31.00	32.60	10,227
NOVEMBER, 2015	31.25	42.35	31.25	41.70	5,030
DECEMBER, 2015	40.00	49.00	36.10	49.00	4,454
JANUARY, 2016	50.00	50.00	34.30	34.30	711
FEBRUARY, 2016	32.60	34.00	31.00	32.30	492
MARCH, 2016	33.90	35.50	30.70	32.10	622

VII) Compliance Officer

Ms Puja Sharma, Company Secretary
Contact No. : 0172-6600053

VIII) Registrar and Transfer Agents (RTA)

M/s Skyline Financial Services Private Limited has been acting as the Registrar and Transfer Agent of the Company.

IX) Share Transfer System

The Share Certificates in physical form are generally processed daily and transferred within 15 days from the date of receipt, if the documents are proper and valid in all respects. Presently, the share transfer requests lodged with the Company / RTA are processed by Registrar and Transfer Agent (RTA) and approved by Shareholders/ Investors Grievance Committee which meets depending upon the requirement and the

JAMES HOTELS LIMITED

minutes of the Committee Meetings are placed regularly at the Board Meeting for their noting. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under SEBI listing regulations and files a copy of the certificate with the stock exchanges.

X) Distribution of shareholding

By ownership, as on 31st March, 2016

Category	No.ofShares Held	%ageof Shareholding
A. Promoters Holding		
1. Indian Promoters	--	--
Foreign Promoters	34,11,430	42.64%
2. Person acting in concert		
Relatives/Friends & Associates	8,24,840	10.31%
SubTotal	42,36,270	52.95%
B Non-Promoters Holding		
3 Institutional Investors	1100	0.01%
Others		
a. Private Corporate Bodies	362357	4.53%
b Indian Public	3400773	42.51%
Sub Total	37,64,230	47.05%
Grand Total	80,00,500	100.00%

JAMES HOTELS LIMITED

Distribution of shareholding as on 31st March, 2015

No. of Share	No. of holders	% of share holders	No. of Share holding	Voting strength(%)
Upto 500	2114	70.99	572158	7.15
501 to 1000	581	19.51	442798	5.53
1001 to 2000	178	5.98	280706	3.51
2001 to 3000	22	0.74	54430	0.68
3001 to 4000	11	0.37	40500	0.51
4001 to 5000	11	0.37	49000	0.61
5001 to 10000	17	0.57	123163	1.54
10001 & above	44	1.47	6437745	80.47
Total	2978	100.00	8000500	100.00

XI) 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). Out of total shareholding, 56,65,220 Equity Shares representing 70.81% of the paid-capital have been dematerialized by investors up to 31st March, 2016.

XII. Investor's Grievances

The company has constituted a Shareholder's/Investor Grievance's Committee to look in to and redress shareholders and investors complaints.

Designated Email Id for handling investors grievances

csjameshotel@gmail.com

XIII) Registered Office

Block 10, Sector 17-A, Chandigarh-160017

Address for Correspondence

Block 10, Sector 17-A, Chandigarh-160017

XIV) Address for Shares Transfer and related operations

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

Skyline Financial Services Private Limited,
'D-153A, 1st Floor, Phase-1, Okhla Industrial Area,
New Delhi – 110020.'

Ph: 011-26812683, Fax : 011-26812682

E-mail: admin@skylinerta.com

JAMES HOTELS LIMITED

XV) Code of Conduct

Board of Directors of the Company have laid down a code of conduct applicable for all Board members and Senior Management Personnel of the Company. The code had been circulated to all the members of the Board and Senior Management. In this regard, a declaration by Chairman & Managing Director is reproduced below :

“In pursuance of the SEBI Listing Regulations 2015, I, Haravtar Singh Arora, Managing Director of James Hotels Limited, declare that all the Board members and Senior Management Personnel of the Company, to whom the Code of Conduct was applicable, have affirmed their compliance with the code of conduct for the year ended 31st March, 2016.

For JAMES HOTELS LIMITED

Sd/-

(Haravtar Singh Arora)

Chairman cum Managing Director

DIN - 00592496

DATE : 20/08/2016

Place: Chandigarh

CEO/CFO CERTIFICATION

The Board of Directors
James Hotels Limited
Chandigarh.

We have reviewed the financial statements and the cash flow statement for the year ended 31st March,2016 and to the best of our knowledge and belief, hereby certify that:-

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,2016 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.

PLACE: CHANDIGARH
DATE : 20/08/2016

Sd/-
(Bharat Bhushan Goel)
Chief Operating & Financial Officer

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE UNDER
CHAPTER IV OF THE SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Members,
James Hotels Limited

We have examined the compliance of conditions of Corporate Governance by James Hotels Limited (the Company) for the year ended 31st March, 2016 as stipulated in

- i) Clause 49 (excluding Clause 49(VII)(E) of the Listing Agreement of the Company with the Stock Exchanges viz. BSE Limited) for the period April 1, 2015 to November 30, 2015.
- ii) Clause 49 (VII)(E) of the Listing Agreement of the Company with the said Stock Exchange for the period from April 1, 2015 to September 1, 2015.
- iii) Regulation 23(4) of the SEBI(LODR) Regulations, 2015(SEBI Listing regulations) for the period September 2, 2015 to March 31, 2016.
- iv) Regulations 17 to 27 (excluding Regulation 23(4), Clauses (b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V to the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

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 the Corporate Governance. Its neither an audit nor an expression of opinion of the financial statement of the Company.

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

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.

Place : Chandigarh
Date : 20.08.2016

Sd/-
Ravi Sharma
Practising Company Secretary
CPNo. 3666

JAMES HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT

The Members,
James Hotels Limited.

1. We have audited the accompanying financial statements of **James Hotels Limited** which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

JAMES HOTELS LIMITED

6. Attention is invited to the following points of Note '4' of the financial statements.
 - i) Note 4.1 - pending litigations/contingent liabilities against the Company.
 - ii) Note 4.2 - the Company has increased Authorised Share Capital from ₹ 140,000,000/- to ₹ 520,000,000/- by passing a special resolution dated 14th December, 2011 by way of postal ballot; however, the exact number of Equity Shares & Preference shares has not been specifically classified.
 - iii) Note 4.5 - defaults in repayment of dues to banks, assignment of loans granted by State Bank of India to Asset Reconstruction Company (India) Limited, United Bank of India, Punjab National Bank and Asset Reconstruction Company (India) Limited issued notices under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 against which the Company has preferred an appeal with Debt Recovery Tribunal; the matter is subjudiced. Provision for interest accrued, in absence of confirmation of balances by banks, has been made on accrual basis.
 - iv) Note 4.7 - non-payment of fee for increase in Authorised Share Capital.
 - v) Note 4.11 - provision for Gratuity has been made on accrual basis; Actuarial Valuation report as required under Accounting Standard - 15, has not been obtained.
 - vi) Note 4.13 - remuneration paid to Managing Director is subject to the approval of Central Government.
7. Net-worth of the Company has completely eroded; the management is of the opinion that the Company shall carry on its business as usual, hence the financial statements of the Company have been prepared on a going concern basis; the appropriateness of the said basis is inter-alia dependent upon future performance and profitability and presently we are unable to express an opinion on the same.
8. Subject to paragraph 6 & 7 above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view inconformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.
9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements, except provision for Gratuity on

JAMES HOTELS LIMITED

accrual basis without taking actuarial valuation report as required under Accounting Standard - 15, comply with the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer notes 4.1, 4.4 & 4.5).
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N**

**Dated : 30th May, 2016
Place : Chandigarh**

**Sd/-
(P.K. VASUDEVA)
PARTNER
Membership No. - 13787**

JAMES HOTELS LIMITED

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 9 of our report of even date on accounts of James Hotels Limited for the year ended 31st March, 2016).

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a programme for phased physical verification of all its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given by the management & on the basis of examination of the records of the Company, the title deed of immovable property (Land – on 99 years lease) is held in the name of the Company (Formerly Mehfil Restaurants & Hotels Ltd.)
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us, the Company has neither granted loans or provided guarantees or securities nor made investments or provided guarantees or securities to the parties covered under Sections 185 & 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public.
Unsecured loan taken from the Promoter, in earlier years, in pursuance of the stipulations of the Banks has been fully repaid, during the year, by the Company without the consent of the lending Banks.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 of the Companies Act, 2013, *read with* the Companies (Cost Records and Audit) Amendment Rules, 2014. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii.
 - a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Cess and other material statutory dues, have not been regularly deposited, during the year, by the Company with the appropriate

JAMES HOTELS LIMITED

authorities.

According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Employees State Insurance Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Cess and other material statutory dues, were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Cess which have not been deposited with appropriate authorities on account of any dispute, except as mentioned herein below:

<u>Name of the Statute</u>	<u>Nature of dues</u>	<u>Amount Involved</u>	<u>Amount deposited under protest</u>	<u>Assessment Year</u>	<u>Forum where dispute is pending</u>
Income Tax Act, 1961	Penalty (u/s. 271D)	17,500,000	2,625,000	2012-2013	CIT (Appeals), Chandigarh

- viii. According to the information & explanations given to us and on the basis of verification of records, the Company has defaulted in repayment of principal amount and interest due to State Bank of India, Punjab National Bank and United Bank of India; resultantly the accounts were classified as NPA; the amount of default remained unconfirmed (*refer note 4.5*).

The Company does not have any loans or borrowings from Government & Financial Institutions and has not issued any debentures.

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans availed by the Company, were prima-facie, applied by the Company for the purposes for which loans were obtained.
- x. According to the information & explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, Managerial Remuneration paid by the Company is in violation of Part II of Schedule-V of the Companies Act, 2013 due to default in repayment of dues to Banks.
The Company has not taken the prior approval of the Central Government, as per the applicable provisions of Section 197 read with Schedule -V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the

JAMES HOTELS LIMITED

applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N**

**Dated : 30th May, 2016
Place : Chandigarh**

**Sd/-
(P.K. VASUDEVA)
PARTNER
Membership No. - 13787**

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **James Hotels Limited** as of 1st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N**

**Dated : 30th May, 2016
Place : Chandigarh**

**Sd/-
(P.K. VASUDEVA)
PARTNER
Membership No. - 13787**

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED
BALANCE SHEET
AS AT 31ST MARCH, 2016

<u>NOTE</u>	<u>As at 31st March, 2016</u>		<u>As at 31st March, 2015</u>	
	₹	₹	₹	₹
<u>EQUITY & LIABILITIES</u>				
Shareholders' Funds				
(a) Share Capital	1.1	8,00,05,000		8,00,05,000
(b) Reserves & Surplus	1.2	-38,83,56,883		-18,74,07,182
Share Application Money (pending allotment)				
		37,51,40,000		37,51,40,000
Non Current Liabilities				
(a) Long-term Borrowings	1.3	70,94,56,157		82,00,30,439
(b) Other Long-term Liabilities	1.4	49,26,234		52,46,922
(c) Long-term Provisions	1.5	15,76,260		11,83,097
Current Liabilities				
(a) Trade Payables	1.6	2,55,34,597		2,67,17,461
(b) Other Current Liabilities	1.7	50,52,94,524		28,29,67,068
	TOTAL ₹	1,31,35,75,889		1,40,38,82,805
<u>ASSETS</u>				
Non Current Assets				
(a) Fixed Assets	1.8			
(i) Tangible Assets		1,22,11,75,011	1,33,42,22,326	
(ii) Intangible Assets		7,48,875	1,22,19,23,886	13,49,006
				1,33,55,71,332
(b) Long-term Loans & Advances	1.9	19,37,144		18,94,144
(c) Other Non-Current Assets	1.10	19,00,000		19,00,000
Current Assets				
(a) Inventories	1.11	64,77,670		73,08,840
(b) Trade Receivables	1.12	1,99,99,358		2,04,92,974
(c) Cash & Bank Balances	1.13	4,55,97,253		2,79,54,938
(d) Short-term Loans & Advances	1.14	98,76,535		53,90,185
(e) Other Current Assets	1.15	58,64,043		33,70,391
	TOTAL ₹	1,31,35,75,889		1,40,38,82,805
Significant accounting policies	3			
Other notes to accounts	4		For and on behalf of the Board of Directors	
			Sd/- HARAVTAR SINGH ARORA (Managing Director)	
The notes referred to above form an integral part of the financial statements.		"AUDITOR'S REPORT" In terms of our attached report of even date.	Sd/- NEERAJ MOHINDROO (Director)	
		For VASUDEVA & ASSOCIATES CHARTERED ACCOUNTANTS Firm Registration No. - 022239N	Sd/- BHARAT BHUSHAN GOEL (Chief Financial Officer)	
		Sd/- (P.K. VASUDEVA) PARTNER Membership No. - 13787	Sd/- PUJA SHARMA (Company Secretary)	
Dated : 30th May, 2016 Place : Chandigarh				

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2016

	NOTE	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
<u>REVENUE</u>			
Revenue from operations	2.1	19,50,99,418	19,71,57,250
Other Operating Revenues	2.2	84,02,074	91,72,264
Other Income	2.3	17,85,467	15,63,483
Total Revenue		20,52,86,959	20,78,92,997
<u>EXPENSES</u>			
Cost of materials consumed	2.4	3,36,87,244	3,20,61,572
Employee Benefits Expense	2.5	5,30,46,185	4,68,87,470
Finance Costs	2.6	13,01,13,665	13,80,05,675
Depreciation & Amortisation Expense	1.8	11,58,21,173	14,92,24,862
Other Expenses	2.7	7,35,68,393	7,42,83,442
Total Expenses		40,62,36,660	44,04,63,021
Loss before exceptional items		(20,09,49,701)	-23,25,70,024
Exceptional Items		0	67,899
Loss before tax		(20,09,49,701)	-23,25,02,125
Tax expense		0	4,44,903
Loss for the year		(20,09,49,701)	-23,29,47,028
Earnings per Equity share -Basic & Diluted	4.12	(25.12)	-29.12
Significant accounting policies	3	For and on behalf of the Board of Directors	
Other notes to accounts	4		Sd/- HARAVTAR SINGH ARORA (Managing Director)
The notes referred to above form an integral part of the financial statements.		"AUDITOR'S REPORT" In terms of our attached report of even date.	Sd/- NEERAJ MOHINDROO (Director)
		For VASUDEVA & ASSOCIATES CHARTERED ACCOUNTANTS Firm Registration No. - 022239N	Sd/- BHARAT BHUSHAN GOEL (Chief Financial Officer)
Dated : 30th May, 2016 Place : Chandigarh		Sd/- (P.K. VASUDEVA) PARTNER Membership No. - 13787	Sd/- PUJA SHARMA (Company Secretary)

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.1 : SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
1.1.1 Authorised				
-14,000,000 Equity shares of ₹ 10/- each	14,00,00,000		14,00,00,000	
-38,000,000 Equity shares and/or Preference shares of ₹ 10/- each	38,00,00,000	52,00,00,000	38,00,00,000	52,00,00,000
1.1.2 Issued, Subscribed & Paid up				
-8,000,500 Equity shares of ₹ 10/- each, fully paid up		8,00,05,000		8,00,05,000
TOTAL ₹		8,00,05,000		8,00,05,000

1.1.3 Details of shareholders holding more than 5% equity shares as at year end

a) Equity shares of ₹ 10/- each, fully paid up

Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	%age of shareholding	No. of shares	%age of shareholding
i) Ajmair Singh Bhullar	21,16,170	26.45	20,93,170	26.16
ii) Haravtar Singh Arora	12,95,260	16.19	12,72,260	15.90
iii) Ajit Pal Singh	4,10,455	5.13	4,10,455	5.13
TOTAL	38,21,885	47.77	37,75,885	47.19

1.1.4 Reconciliation of share capital outstanding as at the beginning and at the end of the year

During the current year and in the previous year, there has been no movement in the number of equity shares outstanding.

1.1.5 30% share capital of the Company in the name of two promoters have been pledged with banks.

NOTE 1.2 : RESERVES & SURPLUS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
1.2.1 Capital Reserve				
-Balance brought forward		6,01,000		6,01,000
1.2.2 Revaluation Reserve				
-Balance brought forward		18,41,47,450		18,41,47,450
1.2.3 Deficit				
Statement of Profit & Loss				
-Balance brought forward	(37,21,55,632)		(13,91,71,288)	
-Add : Net Loss for the year	(20,09,49,701)		(23,29,47,028)	
	(57,31,05,333)		(37,21,18,316)	
-Less: Adjustments	0	(57,31,05,333)	37,316	(37,21,55,632)
TOTAL ₹		(38,83,56,883)		(18,74,07,182)

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.3 : LONG-TERM BORROWINGS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
1.3.1 Secured				
Term Loans				
-From : Banks		1,04,97,13,702		93,40,57,388
Funded Interest Term Loans				
-From : Banks		12,84,45,152		11,57,16,353
Vehicle Loans				
-From : Bank		6,77,464		10,73,383
		<u>1,17,88,36,318</u>		<u>1,05,08,47,124</u>
-Less: Current maturities	8,73,69,742			5,37,70,323
Interest accrued & due	28,03,93,991			15,19,70,638
Installments due * (refer Note 1.7)	<u>10,16,16,428</u>	<u>46,93,80,161</u>	70,94,56,157	<u>4,82,38,428</u>
				79,68,67,735
1.3.2 Unsecured				
From: Promoter			0	2,31,62,704
TOTAL ₹		<u>70,94,56,157</u>		<u>82,00,30,439</u>

* principal repayments due to the banks.

Notes :

- Term Loans & Funded Term Loans from State Bank of India, Punjab National Bank & United Bank of India are secured, pari passu, by first charge on the entire fixed assets including equitable mortgage of leasehold rights of commercial hotel land (measuring 9,602 sq. yards) alongwith building constructed thereon at Block No. 10, Sector 17A, Chandigarh, current assets of the Company, collateral security, pari passu, by first charge on 30% share capital of the Company in the name of two promoters already pledged in favour of State Bank of India and personal guarantee of two promoters of the Company.

State Bank of India assigned their debt to the Asset Reconstruction Company (India) Limited, Mumbai and charge was modified in their favour on 20.01.2015.

- Vehicle Loans from ICICI Bank are secured against specified vehicles.

The rate of interest on the loans ranges from 11.00% to 16.00% per annum

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.4 : OTHER LONG-TERM LIABILITIES

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Security Deposits	2,90,000	6,10,688
Retention Money	46,36,234	46,36,234
TOTAL ₹	49,26,234	52,46,922

NOTE 1.5 : LONG-TERM PROVISIONS

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Gratuity		
-Balance brought forward	11,83,097	11,83,097
-Add : Current year's provision	3,93,163	15,76,260
TOTAL ₹	15,76,260	11,83,097

NOTE 1.6 : TRADE PAYABLES

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
For Supplies & Services	2,55,34,597	2,67,17,461
TOTAL ₹	2,55,34,597	2,67,17,461

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.7 : OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Current Maturities				
-Long-term Borrowings	8,73,69,742		5,37,70,323	
Interest accrued & due	28,03,93,991		15,19,77,167	
Installments due (refer Note 1.3)	10,16,16,428	46,93,80,161	4,82,38,428	25,39,85,918
Advance				
From Customers		23,62,823		34,80,137
Creditors				
For Capital Goods		62,94,799		66,42,382
Taxes & Expenses Payable		1,42,27,133		1,31,66,465
Tax deducted at source		6,08,720		11,13,819
Other Liabilities		1,24,20,888		45,78,347
TOTAL ₹		50,52,94,524		28,29,67,068

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.8: FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION			NET BLOCK			
	COST AS AT 01.04.2015	ADDITIONS	TOTAL	AS AT 01.04.2015	RETAINED EARNINGS DURING THE YEAR	TOTAL	W.D.V. AS AT 31.03.2015	W.D.V. AS AT 31.03.2016	
"A" Tangible Assets									
Land	22,49,25,915	0	22,49,25,915	0	0	0	22,49,25,915	22,49,25,915	
-Leasehold									
Building	90,00,54,261	0	90,00,54,261	8,38,44,405	0	4,02,11,096	12,40,55,501	81,62,09,856	
Furniture & Fixtures									
-Hotel	22,49,46,722	74,644	22,50,21,366	10,93,49,573	0	4,05,03,833	14,98,53,406	11,55,97,149	
-Office	3,12,100	0	3,12,100	2,55,631	0	17,432	2,73,063	56,469	
Plant & Machinery									
-Machinery & Equipment	27,58,78,338	20,65,179	27,79,43,517	10,15,09,627	0	3,32,99,531	13,48,09,158	17,43,68,711	
-Office Equipment	18,32,948	0	18,32,948	12,36,240	0	3,55,861	15,92,101	5,96,708	
-Computers	61,27,236	4,500	61,31,736	57,05,331	0	99,268	58,04,599	4,21,905	
-Vehicles	51,98,951	29,404	52,28,355	31,53,338	0	7,34,021	38,87,359	20,45,613	
TOTAL "A" : ₹	1,63,92,76,471	21,73,727	1,64,14,50,198	30,50,54,145	0	11,52,21,042	42,02,75,187	1,33,42,22,326	1,22,11,75,011
"B" Intangible Assets									
Computer Software	30,00,657	0	30,00,657	16,51,651	0	6,00,131	22,51,782	13,49,006	7,48,875
TOTAL "B" : ₹	30,00,657	0	30,00,657	16,51,651	0	6,00,131	22,51,782	13,49,006	7,48,875
"C" FIGURES FOR CURRENT YEAR : ₹ (A+B)	1,64,22,77,128	21,73,727	1,64,44,50,855	30,67,05,796	#REF!	11,58,21,173	42,25,26,969	1,33,55,71,332	1,22,19,23,886
"D" FIGURES FOR PREVIOUS YEAR : ₹	1,64,11,98,827	19,08,651	1,64,22,77,128	15,81,39,367	37,316	14,92,24,862	30,67,05,796	1,48,30,59,460	1,33,55,71,332
		-8,30,350				-6,95,749			

Dated : 30th May, 2016
Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.9 : LONG-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
(Unsecured considered good - unless otherwise stated).		
Deposits with Government Departments & Other Agencies	19,37,144	18,94,144
TOTAL ₹	19,37,144	18,94,144

NOTE 1.10 : OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Unamortised Expenses *	19,00,000	19,00,000
TOTAL ₹	19,00,000	19,00,000

* represent fee for increase in Authorised Share Capital.

NOTE 1.11 : INVENTORIES

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
(As taken, valued & certified by the management)		
Food & Beverages	29,37,550	37,17,260
Crockery & Cutlery	10,910	1,75,610
Linen & Clothing	15,23,090	10,21,470
House Keeping	11,36,420	7,58,700
Others	8,69,700	16,35,800
TOTAL ₹	64,77,670	73,08,840

NOTE 1.12 : TRADE RECEIVABLES

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
(Unsecured considered good - unless otherwise stated).		
1.12.1 Exceeding six months	1,38,34,799	1,01,59,800
1.12.2 Others	61,64,560	1,03,33,174
TOTAL ₹	1,99,99,358	2,04,92,974

Dated : 30th May, 2016
Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 1.13 : CASH & BANK BALANCES

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
1.13.1 Cash and cash equivalents				
Balance with banks current accounts	23,22,224		48,63,156	
Cash balances *	2,38,22,395	2,61,44,619	51,14,905	99,78,061
1.13.2 Other bank balances				
fixed deposits **		1,94,52,634		1,79,76,877
TOTAL ₹		4,55,97,253		2,79,54,938

* Including cheques & drafts in hand (₹ 3,283,042/-).

** pledged as security with United Bank of India, State Bank of India & Punjab National Bank for bank guarantees in favour of Sales Tax Department and Director General of Foreign Trade, respectively.

NOTE 1.14 : SHORT-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
For Supplies & Services		36,86,632		25,75,923
Prepaid Expenses		21,19,112		7,11,819
Taxes		10,54,346		11,46,652
Balances				
-with Excise & Taxation Department	0		2,27,380	
-with Excise & Custom Department	30,16,445	30,16,445	7,28,411	9,55,791
TOTAL ₹		98,76,535		53,90,185

NOTE 1.15 : OTHER CURRENT ASSETS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Amount Recoverable (Unsecured considered good - unless otherwise stated).				
Exceeding six months		32,39,043		33,70,391
Others		26,25,000		0
TOTAL ₹		58,64,043		33,70,391

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 2.1 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
Sales	8,31,18,505	7,69,29,768
Rooms Income	11,19,80,913	12,02,27,482
TOTAL ₹	<u>19,50,99,418</u>	<u>19,71,57,250</u>

NOTE 2.2 : OTHER OPERATING REVENUES

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
Banquets & Other Income	68,42,925	76,44,758
Laundry Charges etc.	6,15,508	6,70,244
Commission & Incentives	9,43,641	8,57,262
TOTAL ₹	<u>84,02,074</u>	<u>91,72,264</u>

NOTE 2.3 : OTHER INCOME

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
Interest earned	16,21,194	14,79,600
Miscellaneous	1,64,273	83,883
TOTAL ₹	<u>17,85,467</u>	<u>15,63,483</u>

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 2.4 : COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
<u>Food & Beverages</u>				
Opening Stock	37,17,260		27,07,340	
Add : Purchases	3,29,07,534	3,66,24,794	3,30,71,492	3,57,78,832
Less : Closing Stock		29,37,550		37,17,260
TOTAL ₹		3,36,87,244		3,20,61,572

NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
Salaries & Wages (salaries & wages and leave encashment)		4,47,50,147		3,95,25,558
Contribution to : -Provident Fund & Other Funds		33,68,302		27,25,302
Staff Welfare *		49,27,736		46,36,610
TOTAL ₹		5,30,46,185		4,68,87,470

* inclusive of uniform & liveries (₹ 666,860/-).

NOTE 2.6 : FINANCE COSTS

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
Interest -Banks		12,85,15,690		13,56,91,454
Bank Charges		15,97,975		23,14,221
TOTAL ₹		13,01,13,665		13,80,05,675

Dated : 30th May, 2016
Place : Chandigarh

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED

NOTE 2.7 : OTHER EXPENSES

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
Operating Expenses				
-Consumable Stores	1,31,81,438		55,19,261	
-Power, Fuel & Electricity	1,79,08,387		2,08,40,197	
-Watch & Ward	30,33,269		31,37,216	
-Gardening, Cleaning & Sanitation	17,98,604		32,72,314	
-Others	<u>38,22,419</u>	3,97,44,117	<u>99,15,064</u>	4,26,84,052
Rent		1,99,000		5,78,141
Repairs & Maintenance				
-Building & Electricals	34,91,819		16,45,844	
-Furniture & Fixtures	78,175		4,36,977	
-Machinery & Equipment	36,59,781		25,38,057	
-Computers	4,67,859		12,61,345	
-Vehicles	<u>2,48,976</u>	79,46,610	<u>2,82,840</u>	61,65,063
Insurance		7,63,402		7,94,530
Rates & Taxes		60,74,742		52,11,882
Miscellaneous Expenses				
-Other Administrative Expenses	66,22,072 *		62,49,124	
-Travelling & Conveyance			29,87,698	
Directors	16,66,239			
Staff/Others	<u>13,07,841</u>	29,74,080		
-General Charges	10,62,590		5,30,371	
-Selling & Distribution Expenses	77,51,780 **		86,02,581	
-Directors' Sitting Fee	<u>3,10,000</u>	1,87,20,522	<u>3,60,000</u>	1,87,29,774
Payments to Auditor		1,20,000		1,20,000
TOTAL ₹		<u><u>7,35,68,393</u></u>		<u><u>7,42,83,442</u></u>

* inclusive of Legal & Professional charges (₹ 3,757,981/-).

** inclusive of Advertisement & Publicity (₹ 2,167,441/-)
and Business Promotion (₹ 3,845,674/-).

Dated : 30th May, 2016

Place : Chandigarh

JAMES HOTELS LIMITED
NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES
(Forming part of Accounts)
FOR THE YEAR ENDED 31ST MARCH, 2016

3.1. Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

3.2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3.3. Fixed Assets

- Tangible Assets

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and net of Cenvat/VAT availed.

- Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation.

- 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.

3.4 Depreciation/Amortisation

- Depreciation on tangible assets is provided on written down value method over the useful life of assets assigned to each asset in accordance with Schedule - II of the Companies Act, 2013.

- Residual value of assets has been considered at 5% of the original cost of the assets.

- Depreciation on additions to fixed assets is calculated on month-end balances.

- Depreciation on assets sold & scrapped, during the year, is provided upto the month in

which such fixed assets are sold or scrapped.

- Intangible Assets (i.e. Computer Software) have been amortised on straight line method pro-rata on month end balances over a period of five years in accordance with Accounting Standard -26 "Intangible Assets".

3.5. **Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

3.6. **Valuation of Inventories**

Inventories are valued at cost which is based on first-in first-out (fifo) method. Unserviceable/damaged/discarded stock and shortages are charged to the Statement of Profit & Loss.

3.7 **Revenue Recognition**

- Revenue from sale of goods is recognised when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognised when services are rendered and related costs are incurred.
- Other income is recognised on accrual basis unless otherwise stated.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Revenue from sales/services are shown net of taxes, as applicable.

3.8. **Employee Benefits**

a) Short-term Employee Benefits:

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

b) Post-Employment Benefits

(i) Defined Contribution Plans:

Contributions as required under the Statute/Rule are made to Employees' State Insurance & Provident Fund and charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plans:

Gratuity is accounted for on accrual basis - the Company has not taken any

Gratuity policy with Life Insurance Corporation of India or any other insurer covered under the specified provisions of the Income Tax Act, 1961.

(c) Termination Benefits:

Termination benefits are recognised as an expense as and when incurred.

3.9. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

3.10. Foreign Currency Transactions

-The Company accounts for the effects of difference in foreign exchange rates in accordance with Accounting Standard 11 as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

-Foreign currency transactions are recorded using the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit & Loss.

-Monetary assets and liabilities denominated in foreign currency are restated at the exchange rate prevailing at the year end. The resultant differences are recognised in the Statement of Profit & Loss.

3.11. Operating Lease

-Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognised as assets of the Company.

-Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on a straight line basis.

3.12. Taxes on Income

-Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

-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.

-Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

3.13. Earnings Per Share (EPS)

-Annualised basic earnings per equity share is arrived at based on net profit/(loss)

attributable to equity shareholders to the basic weighted average number of equity shares outstanding.

- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

3.14. **Cash Flow Statement**

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS) 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

- Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheques & drafts in hand and balances in current accounts.

3.15. **Contingencies and Provisions**

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

NOTE 4 : OTHER NOTES TO ACCOUNTS

(Forming part of Accounts)

FOR THE YEAR ENDED 31ST MARCH, 2016

4.1. **Contingent Liabilities & Commitments:**

a) Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil (previous year - Nil).

b) Contingent Liabilities:

- Claims against the Company not acknowledged as debt:

Volta Limited (₹ 8,185,219/-) and an ex-employee claim (₹ 275,710/-).

Income Tax demand (penalty u/s. 271D - ₹ 17,500,000/-) raised by the Income Tax Department for the assessment year 2012-2013 vide their order dated 20th November, 2015 against which the Company has deposited (₹ 2,625,000/-) under protest and preferred an appeal with Commissioner of Income Tax (Appeals), Chandigarh and the decision is awaited.

Fine for late/non-submission under clauses 35, 41 and 49 of the erstwhile Listing Agreement - ₹ 1,700,624/- (previous year - Nil).

Additional fee for increase in Authorised Share Capital - ₹ 7,330,200/- (previous

year -

₹ 1,500,000/-).

- The Franchisor (Sarovar Hotels Pvt. Ltd.) has terminated the franchise agreement with the Company and filed a suit for the recovery of outstanding dues; the Company has also filed counter claim on account of deficiency of services etc.

The ultimate outcome of these matters cannot be determined & provision for liability, if any, cannot be estimated at this stage.

- Counter indemnity in respect of guarantees issued by United Bank of India, Punjab National Bank and State Bank of India in favour of Sales Tax Department (₹50,000/-) and Director General of Foreign Trade (₹14,703,980/-).

Fixed Deposits (₹19,452,634/- inclusive of interest accrued thereon) with United Bank of India, Punjab National Bank and State Bank of India have been pledged with Banks.

- Liabilities in respect of Income Tax, Excise Duty, Service Tax, Sales Tax and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessments will be accounted for in the year in which assessments are completed.

4.2. **Authorised Share Capital:**

The Authorised Share Capital of the Company is ₹ 520,000,000/- (Rupees fifty two crores only) divided into 14,000,000 (One crore and forty lacs only) Equity shares of ₹ 10/- each (Rupees ten only) and 38,000,000 (Three crores and eighty lacs only) Equity and/or Preference Shares of ₹10/- each (Rupees ten only). However, the exact number of Equity Shares & Preference shares has not been specifically classified.

4.3. **Share Application Money (pending allotment - ₹ 375,140,000/-)**

(read with Note 4.4 below)

A) Balance (As on 01st April, 2011 - ₹ 80,300,000/-):

i) Share Application Money (₹ 80,300,000/-) had been received, consequent to the resolution passed in the Annual General Meeting of the Company held on 29th September, 2007, in order to comply with the terms and conditions of the lending Bank as mentioned in para (ii) hereunder.

ii) State Bank of India sanctioned a term loan of ₹ 450,000,000/- to part finance the completion of hotel project (situated at Plot No. 10, Sector 17A, Chandigarh), with a stipulation that the remaining amount (i.e. ₹ 73,100,000/-) will be contributed by the promoters as Share Capital.

iii) The Shareholders at the Annual General Meeting held on 29th September, 2007 passed a resolution under Section 81(1A) of the Companies Act, 1956 for preferential allotment of equity shares in accordance with the applicable provisions of the Companies Act, 1956 to Mr. Ajmair Singh Bhullar and Mr. Haravtar Singh Arora, the promoters of the Company.

- iv) The Company, pursuant to the provisions of Clause 24 of the Listing Agreement, had applied for getting 'in principle' approval of Bombay Stock Exchange (BSE) for listing of new issue of shares. However, BSE had not granted the approval.
 - v) According to the stipulation of the Banks; monies already brought in by the Promoter in the form of Share Capital, Share Application Money and Unsecured Loans will not be withdraw, till the currency of Bank Loans. Hence Share Capital, Share Application Money and Unsecured Loans had not been refunded to the Promoters. However, Unsecured Loan has been repaid in the contravention of stipulation of the Banks, during the year by the Company.
- B) Received during the financial year 2011-2012 (₹ 294,840,000/-):
- i) Share Application Money (₹ 294,840,000/-) had been received, consequent to the special resolution (through Postal Ballot) passed by the shareholders of the Company on 14th December, 2011, in order to comply with the terms and conditions of the lending Bank as mentioned in para (ii) hereunder.
 - ii) State Bank of India, while appraising the Company's request for grant of additional Term Loan in the month of October, 2011, desired that Unsecured Loans aggregating to ₹ 37.53 crores be converted into Share Application Money, before the disbursement of proposed additional Term Loan.

- 4.4 Petition was filed, in earlier years, by a few minority shareholders (objecting preferential allotment to promoters) with the Company Law Board u/s. 397 & 398 of the Companies Act, 1956. The Hon'ble Company Law Board vide its order no. CP No. 132(ND)/2011 dated 13th December, 2011 kept the resolution of offer, issue and allotment of Preference Shares in abeyance till the final decision of the Company Law Board; the hearing now stands adjourned to 08th August, 2016 - the matter is subjudiced.

The Company had duly intimated regarding the above mentioned order of the Board to the Principal Stock Exchange (i.e. Bombay Stock Exchange); where the shares of the Company are listed.

- 4.5 The Company has defaulted in repayment of principal and interest due to State Bank of India, Punjab National Bank and United Bank of India; resultantly the accounts were classified as NPA. Provision for interest accrued, in absence of confirmation of balances by Banks, has been made on accrual basis; However, no provision has been made in the accounts for penal interest and liquidated damages etc. State Bank of India assigned their debt to the Asset Reconstruction Company (India) Limited, Mumbai and charge was modified in their favour on 20.01.2015. United Bank of India, Punjab National Bank and Asset Reconstruction Company (India) Limited issued notices under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 against which the Company has preferred an appeal with Debt Recovery Tribunal; the matter is subjudiced.

4.6 Long-term Borrowings:

State Bank of India (vide letter no. SCB/CHD/AMT-III/ 2012-2013/72 dated 19th January, 2013) and Punjab National Bank (vide letter no. LCB/2012 dated 29th November, 2012) have restructured/rescheduled the loans, as mentioned herein below:-

a) Secured**-Term Loans****From State Bank of India****Restructured Credit Facilities**

Repayments in monthly ballooned installments are as under:

Principal outstanding as on 01st January, 2012 (₹398,000,000/-).

15 monthly instalments of ₹800,000/- each w.e.f. January, 2012.

12 monthly instalments of ₹1,000,000/- each w.e.f. April, 2013.

12 monthly instalments of ₹1,200,000/- each w.e.f. April, 2014.

12 monthly instalments of ₹1,700,000/- each w.e.f. April, 2015.

12 monthly instalments of ₹4,000,000/- each w.e.f. April, 2016.

12 monthly instalments of ₹6,000,000/- each w.e.f. April, 2017.

12 monthly instalments of ₹7,000,000/- each w.e.f. April, 2018.

12 monthly instalments of ₹5,000,000/- each w.e.f. April, 2019.

10 monthly instalments of ₹6,000,000/- each and last two monthly instalments of ₹7,600,000/- each w.e.f. April, 2020.

Funded Interest Term Loan - I (₹9,000,000/-)

45 monthly instalments of ₹200,000/- each w.e.f. 31st July, 2013.

Funded Interest Term Loan - II (₹66,200,000/-)

09 monthly instalments of ₹300,000/- each w.e.f. 31st July, 2013.

12 monthly instalments of ₹500,000/- each w.e.f. 30th April, 2014.

12 monthly instalments of ₹500,000/- each w.e.f. 30th April, 2015.

12 monthly instalments of ₹2,100,000/- each w.e.f. 30th April, 2016.

11 monthly instalments of ₹2,200,000/- each and last instalment of ₹2,100,000/- w.e.f. 30th April, 2017.

Funded Interest Term Loan - III (₹1,500,000/-)

30 monthly instalments of ₹50,000/- each w.e.f. 31st July, 2013.

From Punjab National Bank**Restructured Credit Facilities**

Restructured Term Loan (₹273,000,000/-).

03 monthly instalments of ₹200,000/- each w.e.f. January, 2014.

24 monthly instalments of ₹200,000/- each w.e.f. April, 2014.

12 monthly instalments of ₹500,000/- each w.e.f. April, 2016.

JAMES HOTELS LIMITED

12 monthly instalments of ₹ 2,500,000/- each w.e.f. April, 2017.
12 monthly instalments of ₹ 3,500,000/- each w.e.f. April, 2018.
12 monthly instalments of ₹ 2,000,000/- each w.e.f. April, 2019.

12 monthly instalments of ₹ 2,300,000/- each w.e.f. April, 2020.
10 monthly instalments of ₹ 13,800,000/- each w.e.f. April, 2021.

Fresh Term Loan (₹ 34,000,000/-)

48 monthly instalments of ₹ 100,000/- each w.e.f. April, 2015.
36 monthly instalments of ₹ 600,000/- each w.e.f. April, 2019.
07 monthly instalments of ₹ 1,000,000/- each and last instalment of ₹ 600,000/- w.e.f. April, 2022.

Funded Interest Term Loan (₹ 33,800,000/-)

09 monthly instalments of ₹ 600,000/- each w.e.f. July, 2013.
12 monthly instalments of ₹ 1,000,000/- each w.e.f. April, 2014.
11 monthly instalments of ₹ 1,400,000/- each and last instalment of ₹ 1,000,000/- w.e.f. April, 2015.

From United Bank of India

Term Loan (₹ 95,000,000/-).

76 monthly instalments of ₹ 100,000/- each w.e.f. December, 2012 to March, 2019.
07 monthly instalments of ₹ 10,900,000/- each w.e.f. April, 2019 to October, 2019.
01 monthly installment of ₹ 11,100,000/- due & payable in November, 2019.

Fresh Term Loan (₹ 20,000,000/-)

82 monthly instalments of ₹ 244,000/- each w.e.f. October, 2013 to July, 2020.

-Interest on all the above term loans is payable on monthly basis.

4.7 Other Non-Current Assets:

Unamortised Expenses (₹ 1,900,000/-) represent fee for increase in Authorised Share Capital (i.e. normal fee for filing of Form-SH-7).

Since the case (refer note 4.4 supra) is pending with the Company Law Board, the Company has not deposited the requisite fee till date.

4.8 Other Long-term Liabilities (₹ 4,926,234/-):

Security Deposits (₹ 290,000/-) represent amount received, in earlier year, for leasing of portion of Building i.e. Restaurants, Night Club, SPA, Banquet/Basement & First Floor.

4.9 Other Current Liabilities (₹ 505,294,524/-):

-Taxes & Expenses payable (₹ 14,227,133/-) include Service Tax (₹ 7,622,091/-) for the financial year 2015-2016; however, interest on late deposit of Service Tax will be

JAMES HOTELS LIMITED

accounted for at the time of actual payment.

- Tax deducted at source (₹ 608,720/-); *interest on late deposit will be accounted for at the time of actual payment.*
- Other Liabilities (₹ 12,420,888/-) include (₹ 1,990,000/-) due to Ministry of Corporate Affairs on account of fee for increase in Authorised Share Capital.

4.10 Related Party Disclosures (AS-18)

Related parties & their relationship and related parties transactions - As per Annexure - (A).

- 4.11 The Company has made provision for gratuity on accrual basis; however Actuarial Valuation Report, as required under Accounting Standard - 15, has not been obtained.

4.12 Earnings Per Share (AS-20)

	<u>Year ended</u> <u>31st March, 2016</u>	<u>Year ended</u> <u>31st March, 2015</u>
Numerator		
Net Loss		
attributable to Equity shareholders	₹(200,949,701)	₹(232,947,028)
Denominator		
Weighted Average		
Number of Equity shares outstanding	No's 8,000,500	No's 8,000,500
Nominal		
Value per Equity share	₹10	₹10
 Earnings per Equity share		
-Basic & Diluted	(25.12)	(29.12)

Note: Since the case (refer note 4.4 supra) is pending with the Company Law Board, the Company has not considered Share Application Money (pending allotment) for computation of diluted earnings per equity share (as required by paragraph 28 of Accounting Standard - 20) on "Earnings Per Share" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 4.13 Remuneration (₹1,500,000/-) paid to the Managing Director of the Company, during the year is in violation of Part-II of Schedule-V of the Companies Act, 2013 due to default in repayment of dues to Banks. The Company has not taken the prior approval of the Central Government, as per the applicable provisions of Section 197 read with Schedule-V of the Companies Act, 2013.
- 4.14 Net-worth of the Company has completely eroded; the management is of the opinion

JAMES HOTELS LIMITED

that the Company shall carry on its business as usual, hence the financial statements of the Company have been prepared on a going concern basis.

- 4.15 Bonus has not been provided/paid, during the year, in accordance with the amended rules of Payment of Bonus Act, 1965 read with Payment of Bonus (Amendment) Act, 2015. Thus, loss/liability to that extent has been understated.
- 4.16 a) 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.
- b) Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.

4.17 **Segment Reporting (AS - 17)**

Since the Company primarily operates in one segment (Hotel Industry) - therefore segment reporting as required under Accounting Standard - 17 is not applicable - there is no reportable geographical segment either.

- 4.18 Land (Leasehold) was allotted by the Chandigarh Administration to the Company. Accounting Standard - 19 is not applicable in case of "lease agreements to use land".

4.19 **Deferred Tax Asset & Liability (AS-22)**

In absence of virtual certainty supported by convincing evidence that unabsorbed depreciation and carry forward losses can be set off against future taxable income, deferred tax asset as a measure of prudence has not been recognised.

4.20 **Micro, Small & Medium Enterprises**

Based on the information presently available, there are no amounts due to any micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

4.21 Auditor's Remuneration
(excluding Service Tax)

	<u>31st March, 2016</u>	<u>31st March, 2015</u>
	<u>AMOUNT</u>	<u>AMOUNT</u>
	₹	₹
-Audit Fee	80,000	80,000
-In other capacity		30,000
Taxation Matters 15,000		
Company Law Matters <u>15,000</u>	30,000	
-Reimbursement of expenses	10,000	10,000
Total	₹120,000	120,000

4.22 Other additional information

JAMES HOTELS LIMITED

a) Revenue from Operations

The Company is engaged in operating and managing hotel.

b) Raw material consumed

<u>Particulars</u>	<u>31st March, 2016</u> <u>AMOUNT</u> ₹	<u>31st March, 2015</u> <u>AMOUNT</u> ₹
Food & Beverages	33,687,244	32,061,572

c) Imported & indigenous consumption of Raw Material/Stores & Spares

<u>Particulars</u>	<u>31st March, 2016</u>		<u>31st March, 2015</u>	
	<u>Amount</u> ₹	<u>%</u>	<u>Amount</u> ₹	<u>%</u>
-Raw Material/Stores & Spares				
Indigenous	46,868,684	100	37,580,833	100
Imported	-	-	-	-

d) Transactions in Foreign Currency

<u>Particulars</u>	<u>31st March, 2016</u> <u>AMOUNT</u> ₹	<u>31st March, 2016</u> <u>AMOUNT</u> ₹
(i) Value of Imports calculated on C.I.F. Basis		
Capital Goods	Nil	Nil
(ii) Expenditure in Foreign Currency		
Travelling & Conveyance (Directors) (GBP 7,374.59)	727,986	Nil
Commission, Rebate & Discount (USD 4,454.66)	294,511	488,748
(iii) Earnings in Foreign Currency		
Room Rent, Banquets & Other Income * (USD 130,714.25)	8,617,563	4,590,248

* Earnings in foreign exchange represent foreign inward remittances (FIRC).

4.23 Figures for previous year have been regrouped/rearranged, where considered necessary to conform to the current year's presentation.

4.24 Figures have been rounded off to nearest rupee.

JAMES HOTELS LIMITED

In terms of our attached report of even date. For and on behalf of the Board of Directors

**For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N**

**Sd/-
(P.K. VASUDEVA)
PARTNER
Membership No. - 13787**

**Dated : 30th May, 2016
Place : Chandigarh**

**Sd/-
HARAVTAR SINGH ARORA
(Managing Director)**

**Sd/-
NEERAJ MOHINDROO
(Director)**

**Sd/-
BHARAT BHUSHAN GOEL
(Chief Financial Officer)**

**Sd/-
PUJA SHARMA
(Company Secretary)**

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED
NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2016
ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.10]

RELATED PARTY DISCLOSURES :

Disclosures as required by the Accounting Standard - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

(As certified by the Management)

'A' Relationship

- | | | |
|----|--|---|
| 1. | Key Management Personnel
Haravtar Singh Arora
Bharat Bhushan Goel
Puja Sharma | Managing Director
Chief Financial Officer
Company Secretary |
| 2. | Individual having control or significant influence
Ajmair Singh Bhullar | |

'B' Aggregate amount of transactions, during the year, with the related parties

<u>S.No.</u>	<u>Nature of Transactions</u>	<u>Key Management Personnel</u>	<u>Individual having control or significant influence</u>
		<u>AMOUNT</u>	<u>AMOUNT</u>
		₹	₹
A) <u>Expenditure</u>			
1.	Salaries & Allowances	19,10,000	15,00,000
2.	Directors' Remuneration	15,00,000	-
B) <u>Others</u>			
1.	Unsecured Loans		
	-Balance as on 01st April, 2015	-	2,31,62,704
	Add: Additions during the year	-	-
	Less: repayments during the year	-	2,31,62,704
	-Balance as on 31st March, 2016	-	-
C) <u>Year end balances</u>			
1.	Salaries & Allowances	1,65,000	-
2.	Due to director	66,750	-

Sd/-
HARAVTAR SINGH ARORA
 (Managing Director)

Sd/-
NEERAJ MOHINDROO
 (Director)

Dated : 30th May, 2016
 Place : Chandigarh

Sd/-
BHARAT BHUSHAN GOEL
 (Chief Financial Officer)

Sd/-
PUJA SHARMA
 (Company Secretary)

JAMES HOTELS LIMITED

JAMES HOTELS LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	<u>CURRENT YEAR</u> <u>31ST MARCH, 2016</u>	<u>PREVIOUS YEAR</u> <u>31ST MARCH, 2015</u>
	₹	₹
"A" CASH FLOWS		
(I) FROM OPERATING ACTIVITIES		
a) Loss before tax	(20,09,49,701)	(23,25,02,125)
Adjustments :		
Depreciation and amortisation	11,58,21,173	14,92,24,862
(Gain)/Loss on sale of fixed assets	0	(67,899)
Interest earned	(16,21,194)	(14,79,600)
Interest paid/Incurred (Net)	12,85,15,690	13,56,91,454
Profit from operating activities	4,17,65,968	5,08,66,692
b) Working capital changes :		
(Increase)/Decrease in Inventories	8,31,170	(24,47,940)
(Increase)/Decrease in Trade Receivables	4,93,616	(87,69,486)
(Increase)/Decrease in Short-term Loans and Advances	(56,33,001)	(25,96,631)
(Increase)/Decrease in Other Current Assets	(13,47,000)	10,50,617
(Increase)/Decrease in Long-term Loans and Advances	(43,000)	6,65,702
Increase/(Decrease) in Other Long-term Liabilities	(3,20,688)	(55,887)
Increase/(Decrease) in Trade Payables	(11,82,864)	(24,68,016)
Increase/(Decrease) in Other Current Liabilities	69,33,213	(11,64,325)
Increase/(Decrease) in Long-term Provisions	3,93,163	11,83,097
Cash generated from operations	4,18,90,577	3,62,63,823
c) Direct taxes paid (net of refund)	0	-4,44,903
Total "I"	4,18,90,577	3,58,18,920
(II) FROM INVESTING ACTIVITIES		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress (net)	(21,73,727)	(19,08,651)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	0	2,02,500
c) Purchase of investments	0	0
d) Proceeds from sale of investments	0	0
e) Investments in subsidiaries/associates/ business ventures	0	0
f) Realisation of Long-term Loans and Advances from subsidiaries/associates/ business ventures	0	0
g) (Increase)/Decrease in Other Non-Current Assets	0	0
h) (Increase)/Decrease in Fixed Deposits	(14,75,757)	(13,48,713)
i) Dividend received	0	0
j) Interest received	16,21,194	14,79,600
Total "II"	(20,28,290)	(15,75,264)

CONTD. P/2.....

JAMES HOTELS LIMITED

-2-

(III) FROM FINANCING ACTIVITIES

a) Proceeds from issue of Share Capital	0	0
b) Share application money (pending allotment)	0	0
c) Proceeds from Long-term Borrowings (net) (inclusive of interest accrued thereon)	10,48,19,961	10,65,12,376
d) Increase in Short-term Borrowings (net)	0	0
e) Redemption of Preference Shares	0	0
f) Repayment of Long-term Borrowings	0	0
g) Decrease in Short-term Borrowings (net)	0	0
h) Dividends paid (including distribution tax)	0	0
i) Interest and Other Finance Costs	(12,85,15,690)	(13,56,91,454)
Total "III"	-2,36,95,729	-2,91,79,078
"B" Net (decrease)/Increase in cash and cash equivalents (I+II+III)	1,61,66,558	50,64,578
Add : Cash and cash equivalents at the beginning of the year	99,78,061	49,13,483
"C" Cash and cash equivalents at the end of the year	2,61,44,619	99,78,061
Cash and cash equivalents comprises of	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>31ST MARCH, 2016</u>	<u>31ST MARCH, 2015</u>
	₹	₹
Cash & Bank Balances (As per Note 1.13)	4,55,97,253	2,79,54,938
Less : Fixed Deposits	1,94,52,634	1,79,76,877
	2,61,44,619	99,78,061

Note : Previous year figures have been regrouped/reclassified wherever necessary.

In terms of our attached report of even date.

For and on behalf of the Board of Directors

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N

Sd/-
HARAVTAR SINGH ARORA
(Managing Director)

Sd/-
(P.K. VASUDEVA)
PARTNER
Membership No. - 13787

Sd/-
NEERAJ MOHINDROO
(Director)

Sd/-
BHARAT BHUSHAN GOEL
(Chief Financial Officer)

Dated : 30th May, 2016
Place : Chandigarh

Sd/-
PUJA SHARMA
(Company Secretary)

JAMES HOTELS LIMITED

To,
James Hotels Limited
Block No. 10, Sector – 17A,
Chandigarh – 160017

Updation of Shareholder Information

I/ We request you to record the following information against my/ our Folio No. :

General Information

Folio No. : Name of the first named Shareholder PAN : * CIN/ Registration No.: * (applicable to Corporate Shareholders) Tel No. with STD Code: Mobile No. : Email Id :	
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*Self attested copy of the document(s) enclosed.

Bank Details :

IFSC : (11 digit) Bank A/c Type :	MICR : (9 digit) Bank A/c No.:
Name of the Bank : Bank Branch Address :	

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information. I/ We would not hold the Company responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/ We hold the securities under the above mentioned Folio No.

Place :

Date:

Signature of Sole/ First Holder

JAMES HOTELS LIMITED

20th August, 2016

To
Dear Member

This is to inform that we are in the process of updating our database as per the requirements stipulated. You are requested to provide us the information in the table below for faster communication and serving you better.

Folio No. / Client Id	Name (First Holder/ Second Holder)	No. of Shares	Date of Purchase	Certificate No.'s		Distinctive No.'s		Type of holding Demat or Physical
				From	To	From	To	

Please send this form duly completed in all respects at the earliest.

Yours Sincerely
For James Hotels Limited

Sd/-
Puja Sharma
Company Secretary
ACS - 30298

JAMES HOTELS LIMITED

James Hotels Limited

**REGD.OFFICE: BLOCK 10, SECTOR17-A, CHANDIGARH PROXY FORM
ANNUAL GENERAL MEETING**

I/We.....of.....in 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
of.....as my/our proxy to attend and vote for me/us on my/our behalf at the
35th Annual General Meeting of the Company to be held on Friday, the 30th day of
September, 2016 at 11.00A.M.at Indira Holiday Home, Sector 24-B,Chandigarh and at
any adjournments thereof.

Name of the Shareholder

Client ID No.....

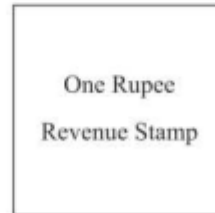
DP ID No.....

Registered Folio No.....

No. of Shares held.....

Signed thisday of2016

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.....

DPID No.....

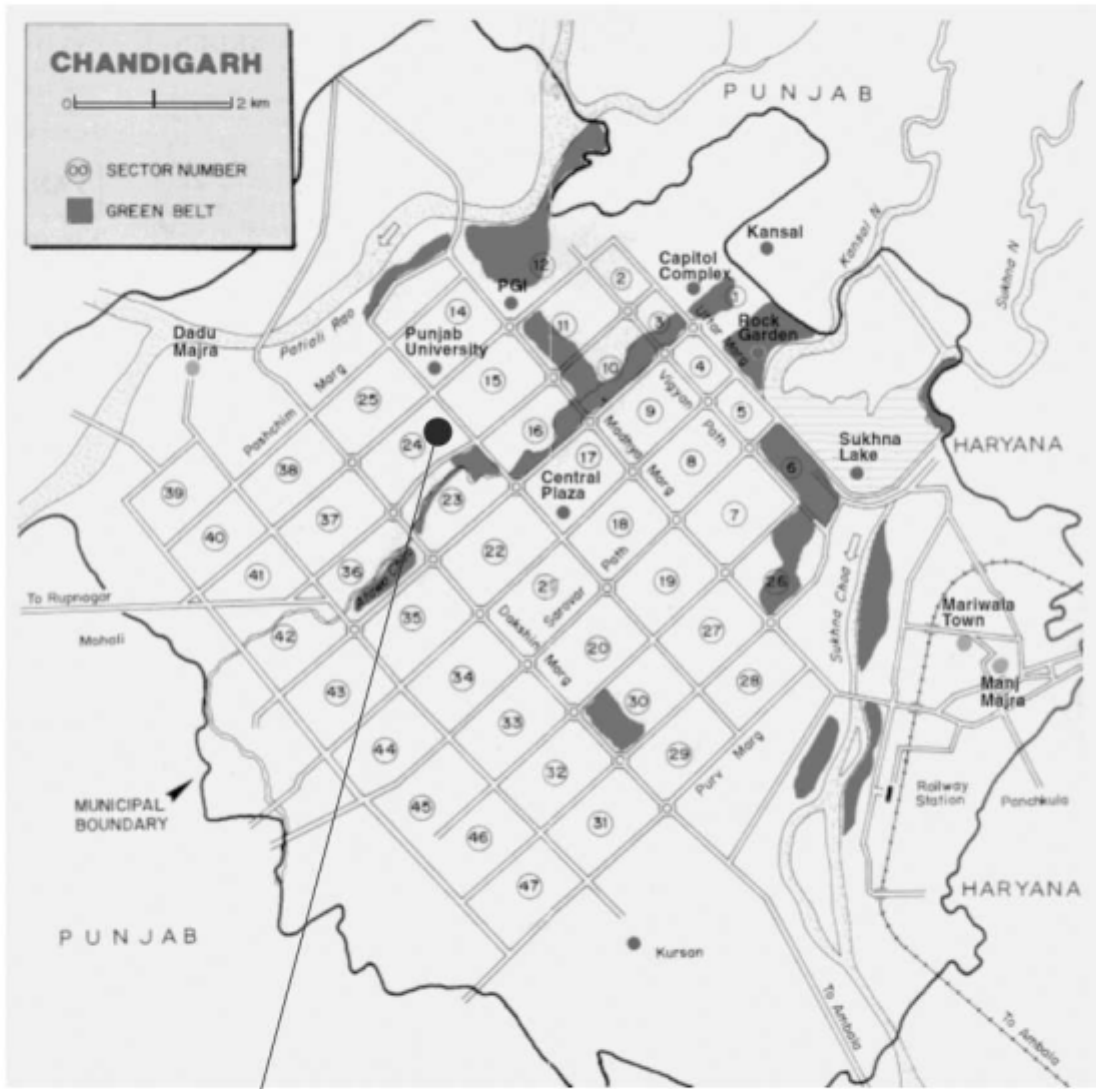
I here by record my presence at the 35th Annual General Meeting of the Company to held on Friday , the 30th day of September, 2016at 11.00 A.M. at Indira Holiday Home, Sector 24-B,Chandigarh

.....
Full Name of the Shareholders/Proxy
(INBLOCKLETTERS)

.....
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.

JAMES HOTELS LIMITED



Indira Holiday Home

BOOK POST

TO _____

If undelivered please return to:-

JAMES HOTELS LIMITED

Regd. Office : Block No 10, Sector 17A,
Chandigarh - 160017