
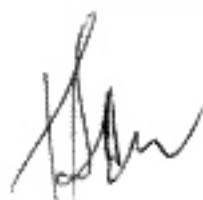


## **FORM B**


### **Covering letter of the annual audit report to be filed with the stock exchanges**


1.	Name of the Company	James Hotels Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit Qualification	Subject to
4.	Frequency of Qualification	The Qualification No. 1 has been appearing since F.Y 2011-12, the qualification No. 2 has been appearing since F.Y 2012-13 and qualification No. 3 is shown in the current Financial year 2013-14.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors Report :	<p>Qualifications shown in Audit Report :</p> <p>i) the Company has increased Authorised Share Capital Rs. 140,000,000/- to Rs.520,000,000/- by passing a special resolution dated 14<sup>th</sup> December, 2011 by way of postal ballot; however, the exact number of Equity Shares &amp; Preference shares has not been specifically classified.</p> <p>ii) non-payment of fee for increase in authorized share capital.</p> <p>iii) non-provision of liability for Gratuity as per Accounting Standard – 15..</p> <p>(shown as Point 4.2, 4.8 and 4.11 in the Notes to Accounts forming part of Audit Report</p>
6.	Comments from Board/ Audit Committee	<p>1. The classification of shares is not mandatory as per Table A of the Schedule I of the Companies Act, 1956 and this has no effect on the financials of the Company.</p> <p>2. The Company in the year 2011 sought the consent of shareholders for increasing the</p>

  
10/09/2014


		<p>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.</p> <p>3. The Company has not made the provision for gratuity as none of the employees have completed the requisite period of continuous service as prescribed under 'The payment of Gratuity Act, 1972'. It is also pertinent to mention here that the Company has engaged the operational part of the hotel in favour of Sarovar Hotels P. Ltd., the Company which employs and deals with the manpower. Moreover, since the hotel became functional with effect from 09.04.2012, none of the employees has completed regular service of more than 3 years.</p> <p>(The Management reply to the Qualification is given in Directors Report.)</p>
--	--	---

**For James Hotels Limited**

  
**(Haravtar Singh Arora)**  
**Chairman & Managing Director**

  
**(Neeraj Mahindroo)**  
**Chairman – Audit Committee**

**For Vasudeva & Associates**

  
**(P.K. Vasudeva)**  
**Partner**

10/09/2014

## James Hotels Limited

### BOARD OF DIRECTORS

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

### 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, Chandigarh.

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## James Hotels Limited

### NOTICE

**NOTICE** is hereby given that the **33<sup>rd</sup> Annual General Meeting** of the members of James Hotels Limited will be held on Tuesday, the 30th day of September, 2014 at 10.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended on 31st March, 2014 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, 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 APPOINT AUDITORS AND FIX THEIR REMUNERATION.

**"RESOLVED THAT** M/s Vasudeva & Associates, Chartered Accountants, having office at Chandigarh, the Statutory Auditors of the company, retiring at the ensuing Annual General Meeting, being eligible offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of Second Consecutive Annual General Meeting (subject to the ratification of their appointment at every Annual General Meeting) at such remuneration as may be fixed by the Board of Directors of the company in consultation with M/s Vasudeva & Associates, Chartered Accountants.

#### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with/ without modification(s) the following resolution as a special resolution :

**"RESOLVED THAT** the resolution passed by the Board of Directors at its meeting held on 22.10.2013 and on being approved by the Remuneration Committee also in partial modification of the earlier resolution passed by the Board of Directors dated 09.04.2010 which were passed pursuant to the provisions of Articles of Association of the Company and the then Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956 and now pursuant to the applicable provisions of the Companies Act, 2013 to the extent mentioned herein in respect of the provisions governing the appointment of Sh. Haravtar Singh Arora as the Managing Director of the Company, the resolution passed by the Board be and is hereby ratified and adopted for the fixation of monthly remuneration of Mr. Haravtar Singh Arora at Rs. 1,25,000/- per month effective from October, 2013."

5. To consider and, if thought fit, to pass with/ without modification(s) the following resolution as a special resolution :

**" RESOLVED THAT** pursuant to provisions of section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

## James Hotels Limited

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this resolution.”

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

### **APPOINTMENT OF MR. NEERAJ MOHINDROO AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, of any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with schedule IV of the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Neeraj Mohindroo** (DIN: 01240807), a non- executive Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company for an another term of five years.”

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

### **APPOINTMENT OF MR. AMIT JULKA AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, of any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with schedule IV of the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Amit Julka** (DIN: 05246883), a non- executive Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company for an another term of five years.”

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

### **APPOINTMENT OF MR. AMARDEEP SINGH BRAR AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, of any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with schedule IV of the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Amardeep Singh Brar** (DIN: 02052759), a non- executive Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company for an another term of five years.”

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

### **APPOINTMENT OF MR. DALJIT SINGH SIDHU AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

## James Hotels Limited

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, of any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with schedule IV of the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Daljit Singh Sidhu** (DIN: 03484720), a non- executive Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company for an another term of five years.”

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

Place: Chandigarh  
Date: 12<sup>th</sup> August, 2014

Sd/-  
(Puja Sharma)  
Company Secretary

## James Hotels Limited

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him self/her self. 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 here with.

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. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013, relating to the special business as set out in item no. 4 to 9 are annexed hereto.

3. Members are requested to notify any change in their address, along with their pin code quoting their Folio No. and relevant particulars.

4. Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least 10 days in advance to enable the management to keep the information, as far as possible ready at the meeting.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from 21<sup>st</sup> September, 2014 to 30th September, 2014 (both days inclusive).

6. The share holders 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.

7. The members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

8. The members are advised that no gift/gift coupons will be distributed at the Annual General Meeting of the Company.

9. Members/Proxies should bring the Attendance slip sent here with duly filled in and signed and hand over the same at the entrance of the Hall.

10. The share holders 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. Electronic copy of the Annual Report for 2013-14 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 2013-14 is being sent in the permitted mode.

13. 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.

The instructions for e-voting are as under :

A. NSDL shall be sending the User ID and Password, to those members whose shareholding is in the dematerialized form 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](http://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.



## James Hotels Limited

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. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

J. Upon confirmation, the message "Vote cast successfully" will be displayed.

K. Once you have voted on the resolution, you will not be allowed to modify your vote.

L. 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 [meenarohilla@gmail.com](mailto:meenarohilla@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

General Instructions for e-voting :

i. 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](http://www.evoting.nsdl.com). You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

ii. 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).

iii. The e-voting period commences on 25/09/2014 and ends on 26/09/2014. 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 29/08/2014 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.

iv. 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 29/08/2014.

v. 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 29/08/2014 and not casting their vote electronically, may only cast their vote at the 33<sup>rd</sup> Annual General Meeting.

vi. Ms Meena Rohilla, Company Secretary in Practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

vii. 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.

viii. The Results shall be declared on or after the 33<sup>rd</sup> 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.in](http://www.jameshotels.in) and on the website of NSDL within two (2) days of passing of the resolutions at the 33<sup>rd</sup> Annual General Meeting of the Company on 30/09/2014 and communicated to BSE.

ix. 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 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.



## James Hotels Limited

### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

The Members are informed that the Board of Directors vide the resolution dated 09.04.2010 appointed Mr. Haravtar Singh Arora as the Managing Director of the Company without any remuneration when the Company was not operational whereas now, since April 2012, the hotel has become operational and the presence, supervision and the scope of management by Mr. Haravtar Singh Arora has increased manifolds for handling various functional matters and administrative affairs of the Company. Under his able guidance and result-oriented approach, the company has been able to carve a niche in the market and enlarge its circle. Keeping in view his whole hearted efforts, involvement and his expertise in handling even tough situations tactfully, your Board of Directors (on the recommendation of the Remuneration Committee) passed resolution dated 22.10.2013 fixing a monthly remuneration of Rs. 1,25,000/- to Mr. Haravtar Singh Arora, Managing Director w.e.f. 01.10.2013 subject to the ratification by the shareholders of the Company.

It is recommended by the Board to pass this resolution as a special resolution. Except Mr. Haravtar Singh Arora and Mr. Ajit Pal Singh, none of the Directors and key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item no. 4 of the Notice.

#### ITEM NO. 5

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft of AoA of the Company viz;

1. Provisions relating to the appointment of independent and women directors have been added.
2. Provisions relating to the appointment of key managerial personnel have been added.
3. Provisions relating to giving of special notice by shareholders for moving and resolution at a shareholders meeting have been amended in accordance with the Act.
4. Provisions relating to disclosures to be made by directors at meetings of the board and vacation of office by directors have been amended in accordance with the Act.
5. Provisions relating to use of electronic medium to communicate with the shareholders and directors have been added.
6. Various existing articles have been aligned with the Act.
7. The statutory provisions of the Act which permit a company to do some acts "of so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included.

The proposed new draft of AoA is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting.

None of the Directors and key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the special resolution set out at Item no. 5 of the Notice.

The Board of Directors recommends the special resolution for your approval.

## James Hotels Limited

### ITEM NO. 6

Mr. Neeraj Mohindroo is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company in December 2005. He is a Commerce Graduate and has to his credit 30 years of experience in real estate industry.

None of the Director other than Mr. Neeraj Mohindroo and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

### ITEM NO. 7

Mr. Amit Julka is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company in March 2012. He is a Graduate and has to his credit 10 Years of experience in real estate and Hospitality industry.

None of the Director other than Mr. Amit Julka and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

### ITEM NO. 8

Mr. Amardeep Singh Brar is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company in May 2013. He is a Graduate and has to his credit 10 Years of experience in real estate and Hospitality industry.

None of the Director other than Mr. Amardeep Singh Brar and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

### ITEM NO. 9

Mr. Daljit Singh Sidhu is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2011. He is a Graduate and has to his credit 12 years of experience in Automobile Industry.

None of the Director other than Mr. Daljit Singh Sidhu and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

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

Place: Chandigarh  
Date : 12<sup>TH</sup> August, 2014

Sd/-  
(Puja Sharma)  
Company Secretary

## James Hotels Limited

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

<b>NAME OF THE DIRECTOR</b>	Mr. Ajit Pal Singh	Mr. Neeraj Mohindroo	Mr. Amit Julka	Mr. Daljit Singh Sidhu	Mr. Amardeep Singh Brar
<b>DATE OF BIRTH</b>	21.08.1981	24.07.1960	01/02/1971	15/07/1970	14.01.1981
<b>DATE OF APPOINTMENT</b>	27.08.2010	20.12.2005	26/03/2012	29/10/2011	30.05.2013
<b>EXPERTISE IN SPECIFIC FUNCTIONAL AREA</b>	Textile Trading	Accounts & Finance	Real Estate & Hospitality	Business	Business
<b>QUALIFICATIONS</b>	B.Sc (IT)	B.Com	Graduation	Graduation	MBA
<b>RELATIONSHIP BETWEEN DIRECTOR INTER-SE</b>	Nephew of Mr. Haravtar Singh Arora	NIL	NIL	NIL	NIL
<b>SHAREHOLDING IN THE COMPANY</b>	410455	NIL	NIL	NIL	NIL
<b>LIST OF PUBLIC COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD</b>	NIL	NIL	NIL	NIL	NIL
<b>CHAIRMAN/ MEMBER OF THE COMMITTEE OF THE BOARD OF DIRECTORS OF OTHER PUBLIC LIMITED COMPANIES IN WHICH HE/SHE IS A DIRECTOR</b>					
a) <b>AUDIT COMMITTEE</b>	NIL	NIL	NIL	NIL	NIL
b) <b>SHAREHOLDERS COMMITTEE</b>	NIL	NIL	NIL	NIL	NIL

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

Place: Chandigarh  
Date: 12<sup>th</sup> August, 2014

Sd/-  
(Puja Sharma)  
Company Secretary

## James Hotels Limited

### DIRECTOR'S REPORT

Dear Share holders,

Your Directors have pleasure in presenting their 33<sup>rd</sup> Annual report together with the Audited Profit And Loss Account Statement for the year ended on 31st March, 2014 and Balance Sheet as at 31st March, 2014.

#### PRESENT STATUS OF THE PROJECT

All the 138 rooms, Swimming Pool and Hippodrome (Night Club) earlier under progress have now been fully completed. The hotel is running under capacity as 28 rooms of the sixth floor although fully completed but are yet not brought under operation.

#### FINANCIAL RESULTS

	2013-2014 (Rs. In Lacs)	2012-2013 (Rs. In Lacs)
Gross Operating Profit / (Loss) before Financial Charges & Depreciation	672.25	486.92
Less : Financial Charges	725.71	149.58
Less : Depreciation	959.25	490.97
Add : Exceptional Income	0	2.86
Net Profit / (Loss)	(1012.70)	(150.77)

#### FINANCIAL PERFORMANCE

2013-14 being the second year of operationalization of the Company, the Company earned Gross Operating Profit before Financial Charges and Depreciation of Rs. 672.25 lacs as compared to loss of Rs. 486.92 lacs in the previous year. However, after providing for financial charges and depreciation, the Net loss is Rs. 1012.70 lacs as compared to loss of Rs. 150.77 Lacs in the previous year. Since the day one of the commencement of operation, the company has been facing acute shortage of funds for want of financial assistance from banks and financial institutions. The Company had to get its loan restructured even than the financial position could not be improved for want of additional term loan and working capital which the banks did not consider and refused for want of promoters contribution.

#### DIVIDEND

During the year 2013-14 the Company incurred a net loss of Rs. 1012.70 Lacs, hence your Directors have not recommended any dividend.

#### 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.

#### DIRECTORS

In accordance with the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Ajit Pal Singh, Promoter Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

In accordance with the provisions of section 146 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Neeraj Mohindroo, Mr. Amit Julka, Mr. Daljit Singh Sidhu and Mr. Amardeep Singh Brar are proposed to be appointed as Independent Directors of the Company for a period of five years commencing from Sep 30, 2014

A brief profile of the above Directors, nature of their expertise in specific functional areas, name of Companies in which they hold directorship and/ or membership / Chairmanship of Committees of the respective Boards, shareholding, etc. as stipulated under Clause 49 of the Listing Agreement is given in the Section on Corporate Governance Report forming part of this Annual Report.

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

## James Hotels Limited

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 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 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed and no material departure have been made from the same;
- ii) the appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

### **CORPORATE GOVERNANCE**

The Report of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of this Annual Report. A Certificate from Practising Company Secretary conforming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of this Annual Report.

### **MEANS OF COMMUNICATIONS**

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

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

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

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

The Stock Exchange(s) Agreement Clauses, SEBI Guidelines and the applicable Rules / Regulations / Sections of the other Acts are being complied by the Company from time to time during the last three years.

### **PARTICULARS OF EMPLOYEES RULES, 1975**

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

## James Hotels Limited

### AUDITORS' REMARKS AND BOARD'S COMMENTS

The Board of Directors comments on remarks given in Auditor's Report and referred Notes on Accounts are as follows:

S. No.	Auditor Remarks	Board's Comments
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1.	The Company has increased authorized share capital 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.	The classification of shares is not mandatory as per Table A of the Schedule I of the Companies Act, 1956 and this has no effect on the financials of the Company.
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2.	Non-payment of fee for increase in authorized share capital	The Company in the year 2011 sought the consent of share holders for increasing the Authorised share capital for the purpose of issuing shares to the promoters and accordingly, the Authorised 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 there for the company could not pay the fees in respect of increase of Authorised share capital to the ROC.
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3.	Non-Provision of liability for Gratuity as per Accounting Standard-15.	The Company has not made the provision for gratuity as none of the employees have completed the requisite period of continuous service as prescribed under 'The payment of Gratuity Act, 1972'. It is also pertinent to mention here that the company has engaged the operational part of the hotel in favor of Sarovar Hotels Pvt. Ltd., The Company which employs and deals with the manpower. Moreover, since the hotel became functional with effect from 9-4-2012, none of the employee has completed regular service of more than 3 years.
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### AUDITORS

M/s Vasudeva & Associates, Chartered Accountants, Chandigarh, hold office until the conclusion of the ensuing Annual General meeting and are eligible for re-appointment. The Company has received a letter from M/s Vasudeva & Associates, to the effect that their appointment, if made, would be within the prescribed limits and that they are not disqualified from such appointment in terms of Section 141 of the Companies Act, 2013.

Your Board recommends their appointment for your approval.

### QUALITY

The Hotel unit is complying with Food Safety Management Systems by availing a Food Licence under the Food Safety and Standards Act, 2006 and is maintaining the desired norms in Food & Beverage operations.

### LISTING WITH STOCK EXCHANGES

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

### INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' 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 :

## James Hotels Limited

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

### **a) Power and Fuel Consumption:**

#### **1. Electricity:**

a) Purchased Units (KWH in Lakhs)	-	22.31
Total Amount (Rs. In Lakhs)	-	140.60
Rate per Unit (Rs.)	-	6.30
b) Own Generation through Diesel Generator		
Units (KWH in Lakhs)	-	0.51
Units/ Litre of Diesel Oil	-	0.157
Cost / Unit (Rs.)	-	15.02
c) HSD consumed for Boilers	-	0.843
Total Cost	-	50.63

#### **2. Coal:**

Quantity (KG)	-	35641
Total Cost (Rs.)	-	891027
Average Rate (Rs. Per KG)	-	25

#### **3. LP Gas:**

Quantity(MT)	-	34
Total Cost (Rs. In Lakhs)	-	31.79
Rate per Tonne (Rs. Per MT)	-	92811

### **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 under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given below :



## James Hotels Limited

	31 <sup>st</sup> March, 2014 Rs. In Lacs	31 <sup>st</sup> March, 2013 Rs. In Lacs
<b>EARNINGS</b>		
c) Earnings in Foreign currency Room Rent, Banquets & other income (USD 590,537.00)	357.56	120.19
Total Earnings	357.56	120.19
<b>EXPENDITURE</b>		
a) CIF Value of Imports		
-Purchase of Gym Equipment's (US \$ 25,432.00)	15.49	0.00
b)Expenditure in Foreign currency		
- Commission , rebate & discount	3.19	-----
-Royalty (USD 34,537.00)	19.86	11.56
-Repairs & Maintenance (computers)	0.79	-----
Total Expenditure	23.85	11.56

### ACKNOWLEDGEMENT

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

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

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

Place: Chandigarh  
Date : 12.08.2014

Sd/-  
**Haravtar Singh Arora**  
(Chairman Cum Managing Director)

## James Hotels Limited

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT: ECONOMIC OVERVIEW

The Indian Economy grew by 4.7% in 2013-14. This presents the new government with the daunting challenge of cooling prices and pushing growth with the added hurdle of a possibly deficient monsoon. India's GDP – a measure of the value of goods and services produced in the country – had grown 4.5% in 2012-13 and the government had forecast in February that the economy would grow by 4.9% in 2013-14. In seven of the last eight quarters, India's GDP has grown at less than 5% - hit by toxic mix of high inflation, costly loan rates and poor services and industrial sector growth. Also, the current climate forecasts indicate increased likelihood of a deficient monsoon in 2014-15 that could affect farm production. The factors that resulted in the poor performance are expected to persist in the first half of the new financial year. But, with a stable government at the centre, there will be an improvement in the situation in the economy with measures being taken to encourage both domestic foreign investment as well as investments being directed towards infrastructure development.

### HOSPITALITY AND TOURISM INDUSTRY

In 2014-15, the hotel companies will continue to face muted revenue growth, stagnated profitability and elevated credit risk driven by lower demand growth and supply side pressures. Profitability for major companies will remain stagnant at around 20% as the demand slowdown has stressed occupancy and average room rate (ARRs) across major cities, limiting the ability of hotel companies to pass on an increase in input costs.

These problems are compounded by increasing land costs, rising construction / development and operating costs. As a result, profitability of hotels is getting adversely affected. Whilst there has been significant growth in domestic demand but this is outweighed by pressure of low room rates, occupancy and change in demand patterns. Less hotel cash flow impacts not only equity returns but debt service capabilities and hotel valuations. Since there is a pressure to cut down rates to maintain occupancy level, the Management of your hotels has focused on maximizing returns from ancillary streams like food and beverage outlets, banqueting services, spas & saloons and retail outlets.

### PRESENT STATUS

All the 138 rooms, Swimming Pool and Hippodrome (Night Club) earlier under progress have now been fully completed. The hotel is running under capacity as 28 rooms of the sixth floor although fully completed but are yet not brought under operation.

### FINANCIAL PERFORMANCE :

	(Rs. in lacs) 2013-14	(Rs. in Lacs ) 2012-2013
Revenue	2247.61	1796.01
<b>Total Revenue</b>	<b>2247.61</b>	1796.01
<b>Total Expenditure</b>	<b>2301.06</b>	<b>1458.67</b>
Depreciation	959.25	490.97
Exceptional items Profit on sale of fixed assets	-----	2.86
Net Profit/ (Loss) before tax	(1012.70)	(150.77)
Provision for Income Tax	0.00	0.00
<b>Surplus/(Deficit)</b>	<b>(1012.70)</b>	<b>(150.77)</b>

## James Hotels Limited

### RESERVE & SURPLUS

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

### SECURED LOANS

The Company has taken Secured loans of Rs. 11.50 Crores from United Bank of India, Rs. 34.07 Crores from Punjab National Bank and Rs. 47.47 Crores from State Bank of India.

### FIXED ASSETS NET BLOCK

The Net Block of Fixed Assets decreased from Rs, 148,35.21 lacs to Rs. 148,30.59 lacs during the Financial Year ended on 31<sup>st</sup> March , 2014..

### INVESTMENTS

The Company has not made any investments during the year.

### NET CURRENT ASSETS

The Net Current Assets has decreased from Rs. 506.25 Lakhs to Rs. 453.41 Lakhs during the current Financial year ended on 31<sup>st</sup> March, 2014.

### RESULTS OF OPERATIONS

The Company has earned revenue of Rs. 2247.61 lakhs during the Year. The loss for the year is Rs. 1012.70 Lakhs as compared to loss of Rs. 150.77 Lakhs in the previous year. The Company cannot recommend dividend due to losses.

### RISKS , CONCERNS AND THREATS

As a result of increasing supply pipeline and sluggish occupancy levels, sustenance of rates are immediate concerns for Indian hotel industry. Less corporate demand for conference and group business are also major woes of the hotel industry. Operating costs specially food cost, labour and utilities have skyrocketed creating pressures on margins. It looks that hotels will be struggling to be profitable with some having to restructure their debt to stay in the business. The industry revolves around customer service and satisfaction. Accordingly, the hotels must be constantly aware of the changing attitudes and behaviors of their customers. Hotels that meet and exceed the expectations of their guests will always be in high demand. Management of the hotels has to ensure branding of properties, products, innovations in product development, sales strategies, daily operations and advance technology in the food & beverage portion of the hotel industry to control cost and reduce waste with an ultimate aim to add to revenue and reduce costs.

### 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 2014-15

India is projected to be number one for growth globally in the well ness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

The government's decision to introduce the electronic visa facility (e-Visa) will give a much needed boost to inbound travel in India. Enforcing the electronic travel authorisation (ETA) before the next tourism season, which starts in November, will result in a clear jump of at least 15 per cent. The hospitality sector in India expects 52,000 new hotel rooms to be added in five years (2013-17), according to a survey by Cushman & Wakefield. This will lead to a rise of over 65 per cent in total hotel inventory in India. The National Capital Region (NCR) is expected to contribute around one-third to the total expected hotel rooms supply during the period.

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## James Hotels Limited

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### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

James Hotels Limited has adequate system of internal controls to ensure all assets are safe guarded 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, guide lines 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.

### **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 has workforce of 245 employees including 55 contracted workforce.

### **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.

## James Hotels Limited

### CORPORATE GOVERNANCE REPORT

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

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

#### 2. BOARD OF DIRECTORS

##### Composition of the Board

The Board consisted of six Directors as on 31<sup>st</sup> March, 2014. The Board comprised of two Promoter Directors and four non-executive Directors as on 31st March, 2014.

During the Year 2013-14, the Board met six times on 30.05.2013, 14.08.2013, 21.08.2013, 22.10.2013, 08.01.2014 and 14.02.2014. The maximum time gap between any two meetings was not more than four calendar months.

The names and category of directors, their attendance at the board meetings, number of directorships and committee memberships held by them in other Companies in respect of Directors during the financial year 2013-14 are given hereunder :

Name	Category	Board Meeting attendance during tenure of directorship		AGM Attendance	No. of other Directorship in Outside Companies	No. of other position held in Outside Companies	
		Held	Attended			Member	Chairman
Mr.Haravtar Singh Arora	Promoter & Managing Director	6	3	Yes	-	-	-
Mr.Neeraj Mohindroo	Non-Executive & Independent Director	6	4	Yes	-	-	-
Mr. Ajit Pal Singh	Non-Executive and non independent Director	6	6	Yes	-	-	-
Mr. Daljit Singh Sidhu	Non-Executive & Independent Director	6	1	Yes	4	-	-
Mr. Amit Julka	Non-Executive & Independent Director	6	3	Yes	-	-	-
Mr. Amardeep Singh Brar (Director)	Non-Executive & Independent Director	6	2	Yes	-	-	-

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## James Hotels Limited

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

### Details of Directors proposed to be appointed/re-appointed

**1. Mr. Ajit Pal Singh**, aged 33 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. Your Board recommends his re-appointment for your approval.

**2.Mr. Neeraj Mahindroo**, aged 54 years, is B. Com with 30 years of experience in real estate industry. He is specialized in the field of accounts and finance. He is non-executive and independent director in the Company. He is neither a member nor chairman of any committee in any other Company. He is not holding equity Shares of the Company.

Mr. Neeraj Mahindroo is proposed to be appointed as an Independent Director of the Company for a term of five years commencing from the date of Annual General Meeting. Your Board recommends his appointment for your approval.

**3.Mr. Amit Julka**, aged 43 years, is a graduate, having 10 years of experience in the field of Real Estate & Hospitality. He is Non- Executive and Independent Director. He is not director in any other Company. He is neither a member nor chairman of any committee in any other Company. He is not holding equity Shares of the Company.

Mr. Amit Julka is proposed to be appointed as an Independent Director of the Company for a term of five years commencing from the date of Annual General Meeting. Your Board recommends his appointment for your approval.

**4. Mr. Daljit Singh Sidhu**, aged 44 years, is a graduate with 15 years of experience in automobile industry. He is specialized in the field of business development. He is presently also holding directorship in Jaycee Automobiles Pvt. Ltd., Sterling Mobikes Pvt. Ltd., Globe Automobiles Pvt. Ltd., and SPR Estates and Builders Pvt. Ltd. He is non-executive and independent director in the Company. He is neither a member nor chairman of any committee in any other Company. He is holding Nil equity Shares in the Company.

Mr. Daljit Singh Sidhu is proposed to be appointed as an Independent Director of the Company for a term of five years commencing from the date of Annual General Meeting. Your Board recommends his appointment for your approval.

**5. Mr. Amardeep Singh Brar**, aged 33 years, is MBA in Marketing, having 8 years of experience in the field of Real Estate. He is Non- Executive and Independent Director. He is not director in any other Company. He is neither a member nor chairman of any committee in any other Company. He is not holding any equity Shares of the Company

Mr. Amardeep Singh Brar is proposed to be appointed as an Independent Director of the Company for a term of five years commencing from the date of Annual General Meeting. Your Board recommends his appointment for your approval.

### Information to be placed before Board of Directors:

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

## James Hotels Limited

### Information to be placed before Board of Directors:

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

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

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

### 3. AUDIT COMMITTEE:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, an Audit Committee has been constituted to cover the matters specified for Audit Committee under Listing Agreements as well as under the provisions of the Companies Act, 2013. As on 31<sup>st</sup> March, 2014, the Audit Committee comprised of Mr. Neeraj Mahindroo, Chairman and Mr. Amit Julka, Mr. Haravtar Singh Arora, Mr. Amardeep Singh Brar, 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 2013-14, 4(four) meetings of the Audit Committee were held on 30.05.2013, 14.08.2013, 22.10.2013 and 14.02.2014.

Name of Director	Category	Number of meetings Held during membership	Number of meetings attended
Mr. Neeraj Mahindroo (Chairman)	Non-Executive and independent	4	3
Mr. Amit Julka (Member)	Non-Executive and independent	4	3
Mr. Haravtar Singh Arora (Member)	Promoter and Executive	4	1
Mr. Amardeep Singh Brar	Non-Executive and Independent	4	2



## James Hotels Limited

### 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 (incase 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.

### 4. REMUNERATION COMMITTEE

Although the setting up of a Remuneration Committee, determining a Company's policy on remuneration package for Executive Directors and other members of Senior Management is a non-mandatory provision under Clause 49 of the Listing Agreement, yet the Company has formed the committee w.e .f 01.10.2013. Two meetings of the Remuneration Committee were held on 05.10.2013 and 13.02.2014.

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 2013-14 are as under.

Sr. No.	Name of Director	Sitting Fee Paid For Board Meeting	(Amt. In INR) Committee Meetings
1	Mr. Amit Julka	30,000	40,000
2	Mr. Daljit Singh Sidhu	10,000	15,000
3	Mr. Neeraj Mahindroo	40,000	40,000
4	Mr. Amardeep Singh Brar	20,000	15,000
	Total	1,00,000	1,10,000

## James Hotels Limited

### 5. 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. Daljit Singh Sidhu and Mr. Ajit Pal Singh, Members of the Committee. The Committee has been reconstituted on 20.05.2013 and Mr. Neeraj Mohindroo was admitted as a Member 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 red resal 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

Six meetings of the Shareholders/ Investors Grievance Committee were held during the F.Y 2013-14. 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	6	5
Mr. Daljit Singh Sidhu (Member)	Non Executive and independent	6	2
Mr.Ajit Pal Singh (Member)	Promoter and Non-Executive	6	6
Mr. Neeraj Mohindroo (Member)	Non-Executive and independent Director	6	5

The Status of Complaints Received, Replied / Resolved by the Company during the financial year 2013-14 is given below :

S. No.	Name of Complainant	Received	Resolved/ Replied
1	Mr. Vikas Garg	3	3 (Replied)
	Total	3	3

### 6. GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time	No. of Special
2012-13	Indira Holiday home, Sector 24-B, Chandigarh	30-09-2013	10 A.M.	NIL
2011-12	Indira Holiday home, Sector 24-B, Chandigarh	28-09-2012	10 A.M.	NIL
2010-11	Indira Holiday home, Sector 24-B, Chandigarh	30-09-2011	09 A.M.	NIL

## James Hotels Limited

b) No Extra Ordinary General Meetings of the members was held during the year 2013-14.

**c) POSTAL BALLOT**

No Resolution was passed through postal ballot during the Financial Year ended 31.03.2014.

**7. DISCLOSURES**

i) During the year under review, there had not been materially significant party transactions which may be considered to have potential conflict with the interests of the Company. The Stock Exchange (s) Agreement Clauses, SEBI Guidelines and the applicable Rules/Regulations/Sections of the other Acts are being complied by the Company from time to time during the last three years and no penalty was levied by these authorities in the last three years.

**ii) Compliance with mandatory requirements & Details of Non Compliances**

During the year under review, there has been no instance of non-compliance with any matter related to capital markets except the non-filing of Annual Return to the ROC for the last three years.

**iii) Whistle Blower Policy**

The Company has adopted Whistle Blower Policy and Code of Conduct for Non-Executive Directors to comply with the provision of the amendment to the Clause 49 of the Listing Agreement.

**8. MEANS OF COMMUNICATION:**

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

**9. GENERAL SHAREHOLDER'S INFORMATION:**

**i) Annual General Meeting**

Date : Tuesday, 30<sup>th</sup> September, 2014

Time : 10.00 A.M.

Venue : INDIRA HOLIDAY HOME, Sector-24-B, Chandigarh

**ii) Financial Calendar**

Financial Year : 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014

**Financial Calendar for the year 2014-15**

Results for quarter ending 30 <sup>th</sup> June, 30 <sup>th</sup> September, 31 <sup>st</sup> 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 will remain closed from 21<sup>st</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.

**iv) Dividend Payment Date:** Not Applicable

## James Hotels Limited

### 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 shall continue to be listed on Delhi and Ludhiana stock exchange, however, it has come to notice of the company that the shares which are listed on Delhi and Ludhiana stock exchange are being proposed to be de-listed from these exchanges pursuant to the orders passed by SEBI

MONTH	OPEN	HIGH	LOW	CLOSE	VOLUME
APR, 2013	30.45	33.60	30.45	33.60	1,061
MAY, 2013	33.75	45.45	33.75	39.10	4,310
JUN, 2013	37.15	37.15	26.90	26.90	1,702
JUL, 2013	26.00	39.50	25.10	39.40	22,386
AUG, 2013	41.35	42.75	30.30	30.30	9,470
SEP, 2013	28.85	31.50	27.95	31.50	1,837
OCT, 2013	32.00	45.00	31.75	41.90	970
NOV, 2013	43.00	47.40	27.80	30.70	1,348
DEC, 2013	32.20	39.00	31.00	35.35	2,456
JAN, 2014	33.60	33.60	26.20	28.85	3,596
FEB, 2014	29.00	30.90	27.60	30.30	5,032
MAR, 2014	31.70	33.25	29.90	29.90	7,195

### VII) Compliance Officer

Ms Puja Sharma, Company Secretary

Contact No. : 0172-6600000, 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 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 Clause 47(c) of the Listing Agreement with the stock exchanges and files a copy of the certificate with the stock exchanges.

### X) Distribution of share holding :- By ownership, as on 31st March, 2014

	Category	No. of Shares Held	% age of Share holding
A.	Promoters Holding		
1.	Indian Promoters	0	0
	Foreign Promoters	33,65,430	42.07%
2.	Person acting in concert	0	0
	Relatives/ Friends & Associates	8,24,840	10.31%
	Sub Total	41,90,270	52.38%
B.	Non-Promoters Holding		
1.	Institutional Investors	1,100	0.01%
2.	others		
	a. Private Corporate Bodies	4,27,040	5.34%
	b. Indian Public	33,82,090	42.27%
	Sub Total	38,10,230	47.62%
	Grand Total	80,00,500	100.00%

## James Hotels Limited

### Distribution of shareholding as on 31st March, 2013

No. of Share	No. of holders	% of share holders	No. of share holding	Voting strength (%)
1 to 500	2183	71.62%	600273	7.50%
501 to 1000	601	19.72%	453316	5.67%
1001 to 2000	156	5.12%	250255	3.13%
2001 to 3000	24	0.79%	59961	0.75%
3001 to 4000	07	0.23%	25500	0.32%
4001 to 5000	12	0.39%	53534	0.67%
5001 to 10000	19	0.62%	137276	1.72%
10001 & above	46	1.51%	6420385	80.25%
Total	3048	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, 54,60,420 Equity Shares representing 68.25% of the paid-capital have so far been dematerialized by investors up to 31st March, 2014.

#### **XII. Investor's Grievances**

The Company has constituted a Shareholder's/Investor Grievance's Committee to look into and redress share holders 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 :-** Block10, 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, 1<sup>st</sup> Floor, Phase-1, Okhla Industrial Area, New Delhi – 110020.'

Ph: 011-26812683, Fax : 011-26812682, E-mail: admin@skylinerta.com

#### **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 :

"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 31<sup>st</sup> March, 2014

For JAMES HOTELS LIMITED

Sd/-

(Haravtar Singh Arora)

Chairman cum Managing Director

**Dated : August 12, 2014**

**Place : Chandigarh**

## James Hotels Limited

### 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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 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 there in, of management or an employee having significant role in the company's internal control systems over financial reporting.

**Dated : August 12, 2014**  
**Place : Chandigarh**

For JAMES HOTELS LIMITED  
Sd/-  
(Bharat Bhushan Goel)  
Chief Financial Officer

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**James Hotels Limited**

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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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, 2014 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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

Sd/-

(Meena Rohilla )

Practising Company Secretary

CP No. 9363

**Dated : August 12, 2014**

**Place : Chandigarh**



## 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 31<sup>st</sup> March, 2014, 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. Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

5. *Attention is invited to the following points of Note '4' of the financial statements.*
  - i) *Note 4.2 - the Company has increased Authorised Share Capital Rs. 140,000,000/- to Rs.520,000,000/- by passing a special resolution dated 14<sup>th</sup> December, 2011 by way of postal ballot; however, the exact number of Equity Shares & Preference shares has not been specifically classified.*
  - ii) *Note 4.8 - non-payment of fee for increase in authorised share capital.*
  - iii) *Note 4.11 - non-provision of liability for Gratuity as per Accounting Standard - 15.*
6. Subject to paragraph 5 above, in our opinion and to the best of our information and according to the explanations given to us, the financial statements, read with notes annexed thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
  - (ii) in the case of the Statement of Profit & Loss, of the loss for the year ended on that date and

## James Hotels Limited

7. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement, *except non-provision of liability for Gratuity as per Accounting Standard - 15*, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, to the extent applicable;
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is, *prima facie*, disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

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

**Dated : 30th May, 2014  
Place : Chandigarh**

## James Hotels Limited

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date on accounts of James Hotels Limited for the year ended 31<sup>st</sup> March, 2014).

- i. **In respect of its Fixed Assets :**
  - a) The records maintained by the Company need to be updated to show full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the Company has a programme for physical verification on a rotational basis, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Accordingly, certain fixed assets have been physically verified by the management, during the year, and no material discrepancies were noticed on such verification.
  - c) The Company has not disposed off any of its fixed assets, during the year.
- ii. **In respect of its Inventories :**
  - a) According to the information and explanations given to us, the physical verification of inventories is conducted by the management at periodic intervals; the frequency of verification is reasonable having regard to the size of the Company and the nature of its inventories.
  - b) According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) According to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii.
  - a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (a) to (d) of paragraph 4(iii) of the Order are not applicable; hence not commented upon.
  - b) According to the information and explanations given to us, the Company has taken unsecured loans (interest free) from five other parties covered in the register maintained under Section 301 of the Companies Act, 1956. (The maximum amount outstanding during the year and the year end balances were Rs.458.63 lacs (five parties) & Rs. 428.63 lacs (four parties), respectively).
  - c) According to the information and explanations given to us, the conditions in respect of unsecured loans taken by the Company from parties covered in the register maintained under Section 301 of the Companies Act, 1956 are, *prima-facie*, not prejudicial to the interest of the Company.
  - d) According to the information and explanations given to us, the Company has not entered into any contractual agreement(s) with the above referred parties with regard to payment of interest & repayment of principal.
- iv. According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventories & fixed assets and with regard to the sale of goods & rendering of services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any major weakness in the aforesaid internal control system during the year.

## James Hotels Limited

- v. a) According to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been entered in the register maintained under Section 301 of the Companies Act, 1956; however no such transactions exceed the value of rupees five lacs in respect of any party covered in the register maintained under Section 301 of the Companies Act, 1956.
- vi. According to the information & explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant applicable provisions of the Companies Act, 1956 and the rules framed thereunder.  
*Unsecured loans from promoters were taken in pursuance of stipulations of the Banks. Unsecured loans (Rs.42,863,268/-) from promoters [i.e. Directors (Rs. 4,650,251/-) & Others (Rs.38,213,017/-)] are exempt deposit, in conformity with the provisions of Section 58A of the Companies Act, 1956 read with Rule 2(b)(xi) of the Companies (Acceptance of Deposits) Rules 1975.*
- vii. In our opinion, the internal audit functions carried out during the year by an external agency appointed by the management have been commensurate with the size of the Company and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- ix. **In respect of its Statutory dues :**
- 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, Custom Duty, Wealth Tax, Cess and other material statutory dues, to the extent applicable, have generally been regularly deposited, during the year, by the Company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Wealth Tax, Cess and other material statutory dues, were in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable, except as mentioned below:
- | <u>Name of the Statute</u> | <u>Nature of Dues</u>  | <u>Amount</u> | <u>Period to which the amount relates</u> |
|----------------------------|------------------------|---------------|---|
| Income Tax Act, 1961       | Tax deducted at source | ₹ 80,526      | April, 2013 to August, 2013               |
- c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited with appropriate authorities on account of any dispute.
- x. The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year ended on that date but has not incurred any cash losses in the immediately preceding financial year.
- xi. According to the information & explanations given to us and on the basis of verification of records, the Company has defaulted in repayment of dues (Rs 4,650,000/-, Rs 2,400,000/- & Rs 689,572/-) for the period from January, 2014 to March, 2014 and interest (Rs 7,163,332/-, Rs 6,627,767/- & Rs. 2,465,651/-) for the month of January, 2014 and February, 2014, to State Bank of India, Punjab National Bank and United Bank of India, respectively; which remained unpaid as on 31<sup>st</sup> March, 2014. The Company, during the year, has not taken any loan from financial institution.

## James Hotels Limited

- xii. According to the information & explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. According to the information & explanations given to us, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv. According to the information & explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments; accordingly clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
- xv. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- xvii. According to the information & explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that there is a usage of short-term funds for long-term investment to the extent of Rs.903.84 lacs.
- xviii. According to the information & explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information & explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

**Dated : 30th May, 2014  
Place : Chandigarh**

# James Hotels Limited

## BALANCE SHEET AS AT 31st MARCH, 2014

Note	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholder's Funds</b>		
a) Share Capital 1.1	80,005,000	80,005,000
b) Reserves & Surplus 1.2	45,577,162	146,839,859
<b>Share Application Money</b>		
(pending allotment)	375,140,000	375,140,000
<b>Non-Current Liabilities</b>		
(a) Long term Borrowings 1.3	891,110,434	864,683,665
(b) Other Long term Liabilities 1.4	5,302,809	5,295,850
<b>Current Liabilities</b>		
a) Trade Payables 1.5	29,185,477	14,650,710
b) Other Current Liabilities 1.6	106,539,021	60,364,237
<b>TOTAL Rs.</b>	<b><u>1,532,859,903</u></b>	<b><u>1,546,979,321</u></b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
a) Fixed Assets 1.7		
(i) Tangible Assets	1,481,188,458	1,145,343,752
(ii) Intangible Assets	1,871,002	2,259,344
(iii) Capital work-in-progeress	0	335,917,985
(b) Long term Loans & Advances 1.8	2,559,846	10,933,191
© Other Non-Current Assets 1.9	1,900,000	1,900,000
<b>Current Assets</b>		
a) Inventories 1.10	4,860,900	3,115,360
b) Trade Receivables 1.11	11,723,488	13,699,648
c) Cash & Bank Balances 1.12	21,541,647	24,754,738
d) Short Term Loans & Advances 1.13	3,971,424	8,017,785
e) Other Current Assets 1.14	3,243,138	1,037,518
<b>TOTAL Rs.</b>	<b><u>1,532,859,903</u></b>	<b><u>1,546,979,321</u></b>
<b>Significant accounting policies 3</b>	<b>For and on behalf of Board of Directors</b>	
<b>Other notes to accounts 4</b>		
<b>The notes referred to above form an integral part of the financial statements</b>	<b>"AUDITOR'S REPORT"</b>	
	In terms of our attached report of even date.	
	<b>For VASUDEVA &amp; ASSOCIATES</b>	
	<b>CHARTERED ACCOUNTANTS</b>	
	<b>Firm Registration No. 022239N</b>	
	<b>Sd/-</b>	
	<b>(P.K. Vasudeva)</b>	
	<b>PARTNER</b>	
	<b>Membership No. 13787</b>	
<b>Dated : 30th May, 2014</b>	<b>Sd/-</b>	
<b>Place : Chandigarh</b>	<b>Haravtar Singh Arora</b>	
	<b>(Managing Director)</b>	
	<b>Sd/-</b>	
	<b>Neeraj Mohindroo</b>	
	<b>(Director)</b>	
	<b>Sd/-</b>	
	<b>Bharat Bhushan Goel</b>	
	<b>(Chief Financial Officer)</b>	
	<b>Sd/-</b>	
	<b>Puja Sharma</b>	
	<b>(Company Secretary)</b>	

## James Hotels Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	NOTE	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>REVENUE</b>			
Revenue	2.1	211,477,782	169,069,201
from operations			
Other Operating Revenue	2.2	11,388,658	9,276,944
Other Income	2.3	1,894,933	1,255,062
<b>Total Revenue</b>		<b>224,761,373</b>	<b>179,601,207</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.4	38,787,968	34,702,108
Employee Benefits Expense	2.5	44,309,089	38,396,927
Finance Costs	2.6	72,570,705	14,957,988
Depreciation and Amortisation Expenses	1.7	95,924,546	49,097,487
Other Expenses	2.7	74,439,139	57,809,867
<b>Total Expenses</b>		<b>326,031,447</b>	<b>194,964,377</b>
Loss before exceptional items		(101,270,074)	(15,363,170)
Exceptional Items			
- Profit on sale of Fixed Assets		0	285,734
Loss for the year		(101,270,074)	(15,077,436)
Earning per equity share			
- Basic & Diluted	4.12	(12.66)	(1.88)
<b>Significant accounting policies</b>	<b>3</b>		
<b>Other notes on accounts</b>	<b>4</b>		

For and on behalf of Board of Directors

The notes referred to above  
form an integral part of the  
financial statements

**Dated : 30th May, 2014**  
**Place : Chandigarh**

**"AUDITOR'S REPORT"**

In terms of our attached  
report of even date.

**For VASUDEVA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 022239N**  
Sd/-  
(P.K. Vasudeva)  
**PARTNER**  
**Membership No. 13787**

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

PARTICULARS	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>NOTE 1.1 : SHARE CAPITAL</b>		
<b>1.1.1 Authorised</b>		
-14,000,000 Equity Shares of Rs. 10/- each	140,000,000	140,000,000
-38,000,000 Equity shares and/or Preference shares of Rs. 10/- each	380,000,000	380,000,000
	<u><b>520,000,000</b></u>	<u><b>520,000,000</b></u>
<b>1.1.2 Issued, Subscribed &amp; Paid up</b>		
-8,000,500 Equity Shares of Rs. 10/- each, fully paid up	80,005,000	80,005,000
<b>TOTAL Rs.</b>	<u><b>80,005,000</b></u>	<u><b>80,005,000</b></u>

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

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

Name of the Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	%age of shareholding	No. of shares	%age of shareholding
i) Ajmair Singh Bhullar	2,093,170	26.16	2,093,170	26.16
ii) Haravtar Singh Arora	1,272,260	15.90	1,272,260	15.90
iii) Ajit Pal Singh	410,455	5.13	410,455	5.13
<b>TOTAL</b>	<b>3,775,885</b>	<b>47.19</b>	<b>3,775,885</b>	<b>47.19</b>

### 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.

## NOTE 1.2 : RESERVES & SURPLUS

Particulars	As at 31st March 2014	As at 31st March 2013
<b>1.2.1 Capital Reserve</b>		
-Balance brought forward	601,000	601,000
<b>1.2.2 Revaluation Reserve</b>		
-Balance brought forward	184,147,450	184,147,450
<b>1.2.3 Loss</b>		
Statement of Profit & Loss		
Balance brought forward	(37,908,591)	(22,831,155)
-Add : Net Loss for the year	(101,270,074)	(15,077,436)
	(139,178,665)	(37,908,591)
-Add : Adjustments*	7,377	0
	(139,171,288)	(37,908,591)
<b>TOTAL Rs.</b>	<u><b>45,577,162</b></u>	<u><b>146,839,859</b></u>

\* represent taxes for earlier years.

## James Hotels Limited

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.

### NOTE 1.3 : LONG-TERM BORROWINGS

#### 1.3.1 Secured

##### Term Loans

-From : Banks	818,736,903		772,558,084	
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##### Funded Interest Term Loans

-From : Banks	104,332,829		82,121,422	
---------------	-------------	--	------------	--

##### Vehicles Loans

-From : Bank	1,556,543	924,626,275	1,992,582	856,672,088
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-Less: Current maturities	42,380,082		24,586,039	
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Interest accrued and due	16,256,750		1,178,673	
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Interest accrued but not due	10,002,705*		9,086,979	
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Installment due**	7,739,572	76,379,109	848,247,166	0
(refer Note 1.6)				821,820,397

#### 1.3.2 Unsecured

From: Promoters		42,863,268		42,863,268
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#### TOTAL Rs.

**891,110,434**

**864,683,665**

\* exclusive of interest accrued but not due (Rs. 14,438/-) on vehicle loans.

\*\* repayments of principal amount due to the banks for the financial year 2013-2014.

#### Notes

1. Term Loans & Funded Interest 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 and current assets of the Company and collateral security, *pari passu*, by first charge on 30% share capital of the Company in the name of Directors already pledged in favour of State Bank of India and personal guarantee of two promoters of the Company.

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

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

### NOTE 1.4 : OTHER LONG-TERM LIABILITIES

Security Deposits	597,688		512,000	
Retention Money	4,705,121		4,783,850	
<b>TOTAL Rs.</b>	<b>5,302,809</b>		<b>5,295,850</b>	

### NOTE 1.5 : TRADE PAYABLES

For Supplies & Services	29,185,477		14,650,710	
<b>TOTAL Rs.</b>	<b>29,185,477</b>		<b>14,650,710</b>	

### NOTE 1.6 : OTHER CURRENT LIABILITIES

Current Maturities				
Long-term Borrowings	42,380,082		24,586,039	
Interest accrued & due	16,256,750		1,178,673	
Interest accrued but not due	10,017,143		9,105,616	
Installments due	7,739,572	76,393,547	0	34,870,328
(refer Note 1.3)				
Advance From customers		1,889,155		1,598,012
Creditors For Capital Goods		9,874,404		6,723,572
Taxes & Expenses Payable		13,278,294		8,311,974
Tax deducted at source		1,421,442		830,567
Other Liabilities		3,682,179		8,029,784
<b>TOTAL Rs.</b>	<b>106,539,021</b>		<b>60,364,237</b>	

# James Hotels Limited

**NOTE 1.7: FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK	
	COST AS AT 01.04.2013	ADDITIONS/ (ADJUSTMENTS)	AS AT 01.04.2013	DURING THE YEAR	W.D.V. AS AT 31.03.2013	W.D.V. AS AT 31.03.2014
<b>"A" Tangible Assets</b>						
Land	224,925,915	0	224,925,915	0	224,925,915	224,925,915
-Leasehold						
Building	597,298,180	302,756,081	10,971,614	30,577,812	586,326,566	858,504,835
Furniture & Fixtures						
-Hotel	134,335,667	90,145,646	224,481,313	33,086,901	120,263,052	177,341,797
-Office	312,100	0	312,100	23,644	130,628	106,984
Plant & Machinery						
-Machinery & Equipment	237,154,609	38,063,219	31,727,674	29,227,998	205,426,935	214,262,156
-Office Equipment	1,718,948	114,000	1,832,948	238,034	1,607,365	1,483,331
-Computers	5,969,589	110,530	5,980,119	1,330,341	3,264,142	2,044,331
-Vehicles	5,461,630	0	5,461,630	880,040	3,399,149	2,519,109
<b>TOTAL "A" : ₹</b>	<b>1,207,076,638</b>	<b>431,189,476</b>	<b>61,732,886</b>	<b>95,344,770</b>	<b>1,145,343,752</b>	<b>1,481,188,458</b>
<b>"B" Intangible Assets</b>						
Computer Software	2,741,279	191,434	481,935	579,776	2,259,344	1,871,002
<b>TOTAL "B" : ₹</b>	<b>2,741,279</b>	<b>191,434</b>	<b>481,935</b>	<b>579,776</b>	<b>2,259,344</b>	<b>1,871,002</b>
<b>"C" Capital Work-In-Progress</b>						
Building (under - construction)	256,130,069	46,626,012 (302,756,081)	0	0	256,130,069	0
Plant & Machinery (under - Installation)	17,496,913	13,157,748 (30,654,661)	0	0	17,496,913	0
Miscellaneous Fixed Assets (under - Installation)	62,291,003	27,606,279 (89,897,282)	0	0	62,291,003	0
<b>TOTAL "C" : ₹</b>	<b>335,917,985</b>	<b>87,390,039 (423,308,024)</b>	<b>0</b>	<b>0</b>	<b>335,917,985</b>	<b>0</b>
<b>"D" FIGURES FOR CURRENT YEAR : (A+B+C) ₹</b>	<b>1,545,735,902</b>	<b>518,770,949 (423,308,024)</b>	<b>62,214,821</b>	<b>95,924,546</b>	<b>1,483,521,081</b>	<b>1,483,059,460</b>
<b>"E" FIGURES FOR PREVIOUS YEAR : ₹</b>	<b>1,026,772,168</b>	<b>1,055,195,067 (536,231,333)</b>	<b>13,708,068</b>	<b>49,097,487 (590,734)</b>	<b>1,013,064,100</b>	<b>1,483,521,081</b>

## James Hotels Limited

PARTICULARS	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.	As at 31st March, 2013 Rs.
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### NOTE 1.8 : LONG-TERM LOANS & ADVANCES

(Unsecured considered good - unless otherwise stated).

Advances For Capital Goods	0	10,154,489
Deposits with Government Departments & Other Agencies	2,559,846	778,702
<b>TOTAL Rs.</b>	<b>2,559,846</b>	<b>10,933,191</b>

### NOTE 1.9 : OTHER NON-CURRENT ASSETS

Unamortised Expenses \*

1,900,000	1,900,000
<b>TOTAL Rs.</b>	<b>1,900,000</b>

\*represent fee for increase in authorised share capital.

### NOTE 1.10 : INVENTORIES

(As taken, valued & certified by the management)

Food & Beverages	2,707,340	1,873,350
Linen & Clothing	911,620	590,630
House Keeping	301,760	223,140
Others	940,180	428,240
<b>TOTAL Rs.</b>	<b>4,860,900</b>	<b>3,115,360</b>

### NOTE 1.11 : TRADE RECEIVABLES

(Unsecured considered good -unless otherwise stated).

1.11.1 Exceeding six months	1,037,478	0
1.11.2 Others	10,686,010	13,699,648
<b>TOTAL Rs.</b>	<b>11,723,488</b>	<b>13,699,648</b>

### NOTE 1.12 : CASH & BANK BALANCES

#### 1.12.1 Cash and cash equivalents

Balance with banks current accounts	3,778,820	7,356,043
Cash Balance*	1,134,663	4,913,483
		2,450,350
		9,806,393

#### 1.12.2 Other bank balances

Fixed deposit**	16,628,164	14,948,345
<b>TOTAL Rs.</b>	<b>21,541,647</b>	<b>24,754,738</b>

\* including cheques & drafts in hand (Rs. 230,389/-).

\*\* 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 1.13 : SHORT-TERM LOANS & ADVANCES

For Supplies & Services	1,699,215	3,564,784
Prepaid Expenses	791,077	709,147
Taxes	1,177,870	841,691
Staff	48,110	13,650
Balances		
-with Excise & Custom Authorities	0	2,724,545
-with Excise & Taxation Authorities	255,152	163,968
<b>TOTAL Rs.</b>	<b>3,971,424</b>	<b>8,017,785</b> <sup>(38)</sup>

## James Hotels Limited

PARTICULARS	As at 31st March, 2014 Rs.	Rs.	As at 31st March, 2013 Rs.	Rs.
<b>NOTE 1.14 : OTHER CURRENT ASSETS</b>				
Amount Recoverable (Unsecured considered good -unless otherwise stated).				
Exceeding six months		1,029,231		336,090
Others		2,213,907		701,428
<b>TOTAL Rs.</b>		<b><u>3,243,138</u></b>		<b><u>1,037,518</u></b>
<b>NOTE 2.1 : REVENUE FROM OPERATIONS</b>				
Sales		83,171,480		73,003,620
Rooms Income		128,306,302		96,065,581
<b>TOTAL Rs.</b>		<b><u>211,477,782</u></b>		<b><u>169,069,201</u></b>
<b>NOTE 2.2 : OTHER OPERATING REVENUES</b>				
Banquets & Other Income		8,709,312		6,262,232
Laundry Charges etc.		1,406,744		2,203,138
Commission & Incentives		1,272,602		811,574
<b>TOTAL Rs.</b>		<b><u>11,388,658</u></b>		<b><u>9,276,944</u></b>
<b>NOTE 2.3 : OTHER INCOME</b>				
Interest earned		1,825,294		963,318
Miscellaneous		69,639		291,744
<b>TOTAL Rs.</b>		<b><u>1,894,933</u></b>		<b><u>1,255,062</u></b>
<b>NOTE 2.4 : COST OF MATERIALS CONSUMED</b>				
Food & Beverages				
Opening Stock	1,873,350			
Purchases	39,621,958	41,495,308		36,575,458
Less : Closing Stock		2,707,340		1,873,350
<b>TOTAL Rs.</b>		<b><u>38,787,968</u></b>		<b><u>34,702,108</u></b>
<b>NOTE 2.5 : EMPLOYEE BENEFITS EXPENSE</b>				
Salaries & Wages (salaries & wages, leave encasements )		37,725,414		32,599,513
Contribution to :				
Provident Fund & Other Funds		2,275,967		2,081,442
Staff Welfare*		4,307,708		3,715,972
<b>TOTAL Rs.</b>		<b><u>44,309,089</u></b>		<b><u>38,396,927</u></b>
*Inclusive of uniform & liveries (Rs. 234,911/-)				
<b>NOTE 2.6 : FINANCE COSTS</b>				
Interest				
-Banks	113,161,784		110,259,160	
Less: Capitalised during the year	42,823,631	70,338,153	96,350,703	13,908,457
Bank Charges		2,232,552		1,049,531
<b>TOTAL</b>		<b><u>72,570,705</u></b>		<b><u>14,957,988</u></b>

## James Hotels Limited

PARTICULARS	As at 31st March, 2014 Rs.	Rs.	As at 31st March, 2013 Rs.	Rs.
<b>NOTE 2.7 : OTHER EXPENSES</b>				
Operating Expenses				
-Consumable Stores	4,601,544		5,121,907	
-Power, Fuel & Electricity	23,883,332		20,350,344	
-Franchise Fee	4,200,739		2,973,412	
-Watch & Ward	3,613,540		2,284,343	
-Others	8,860,909	45,160,064	6,960,487	37,690,493
Rent		624,188		439,601
Repairs & Maintenance				
-Building & Electrical	1,673,955		300,740	
-Furniture & Fixtures	550,670		0	
-Machinery & Equipment	2,941,965		1,392,069	
-Computers	1,068,967		101,245	
-Vehicles	322,637		146,982	
General	16,512	6,574,706	13,135	1,954,171
Insurance		861,030		1,095,657
Rates & Taxes		2,904,593		1,625,491
Miscellaneous Expenses				-
Other Administrative Expenses	3,989,244		2,880,825	
-Traveling & Conveyance				
Directors 366,914				
Staff/Others 1,873,519	2,240,433		1,220,311	
-General Charges	284,428		161,568	
-Selling & Distribution Expenses	11,464,497*		10,415,794	
Directors' Sitting Fee	235,956	18,214,558	235,956	14,914,454
Payments to Auditor		100,000		90,000
<b>TOTAL Rs.</b>		<b>74,439,139</b>		<b>57,809,867</b>

\* inclusive of commission, rebate & discount (Rs. 8,946,842/-).

## James Hotels Limited

### NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES (Forming part of Accounts) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

#### 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 notified under Section 211(3C) (which continues to be applicable in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013), other relevant provisions of the Companies Act, 1956 and the presentation requirements as prescribed by the revised Schedule VI of the Companies Act, 1956, 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

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

The cost comprises of 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.

##### - 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 is provided on written down value method, at the rates specified in Schedule XIV of the Companies Act, 1956.
- 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) has 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

## James Hotels Limited

### 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 accrual basis, during the tenure of employment the payment in respect thereof is made by the Company from its own funds as per the past 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 actual payment 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 be put 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 notified by the Companies (Accounting Standards) Rules, 2006. 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 Investments

- Investments are classified into current and non-current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.
- Current investments are carried at cost or fair value, whichever is lower.
- Non-current investments are carried at cost. Provision for diminution in value of non-current investments is made only, if a decline is other than temporary.

### 3.12 Operating Lease

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.



## James Hotels Limited

### 3.13. **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.

### 3.14. **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.

### 3.15. **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 consist of balance in current accounts and cash balances.

### 3.16. **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 31<sup>ST</sup> MARCH, 2014**

### 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 (Rs.8,460,929/-) which comprises: Third party claims arising from disputes relating to contracts aggregating to (Rs.8,185,219/-) & an ex-employee claim (Rs. 275,710/-).
  - It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.
  - 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 (Rs. 50,000/-) and Director General of Foreign Trade (Rs.14,703,980/-).
  - Fixed Deposits (Rs.16,628,164/- inclusive of interest accrued thereon) with United Bank of India, Punjab National Bank and State Bank of India have been pledged with the banks.
  - Additional fee for increase in Authorised Share Capital - Rs.1,168,500/- (previous year - Rs. 598,500/-).

### 4.2. **Authorised Share Capital:**

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

## James Hotels Limited

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

(read with Note 4.4 below)

A) Balance (As on 01<sup>st</sup> April, 2011 - Rs. 80,300,000/-):

- i) Share Application Money (Rs. 80,300,000/-) had been received consequent to the resolution passed in the Annual General Meeting of the Company held on 29<sup>th</sup> 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 Rs.450,000,000/- to part finance the completion of hotel project (situated at Plot No. 10, Sector 17, Chandigarh), with a stipulation that the remaining amount (i.e. Rs. 73,100,000/-) will be contributed by the promoters as Share Capital.
- iii) The Shareholders at the Annual General Meeting held on 29<sup>th</sup> September, 2007 passed a resolution under Section 81(1A) of the Companies Act, 1956 for preferential allotment of equity shares in accordance with 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) As per the stipulation of the Banks; monies already brought in by the promoters in the form of Share Capital, Share Application Money and Unsecured Loans not to be allowed to be withdrawn. According to the stipulation of the Banks, Share Application Money had not be refunded to the promoters.

B) Received during the financial year 2011-2012 (Rs. 294,840,000/-):

- i) Share Application Money (Rs.294,840,000/-) had been received consequent to the special resolution (through Postal Ballot) passed by the shareholders of the Company on 14<sup>th</sup> December, 2011 (refer Note 4.3 supra) 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 an amount of Rs.37.53 crores of unsecured loans be converted into capital, before the disbursement of proposed additional term loan.

4.4 Petition was filed, in earlier years, by 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 13<sup>th</sup> 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 19<sup>th</sup> August, 2014 - 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 **Long-term Borrowings:**

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

#### **a) Secured**

#### **-Term Loans**

##### **From State Bank of India**

Restructuring Credit Facilities

Repayments in monthly ballooned installments are as under:

Principal outstanding as on 01<sup>st</sup> January, 2012 (Rs. 398,000,000/-).

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

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

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

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

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

## James Hotels Limited

12 monthly instalments of Rs. 7,000,000/- each w.e.f. April, 2018.  
 12 monthly instalments of Rs. 5,000,000/- each w.e.f. April, 2019.  
 10 monthly instalments of Rs. 6,000,000/- each and last two monthly instalments of Rs. 7,600,000/- each w.e.f. April, 2020.  
 Funded Interest Term Loan - I (Rs. 9,000,000/-)  
 45 monthly instalments of Rs. 200,000/- each w.e.f. 31<sup>st</sup> July, 2013.  
 Funded Interest Term Loan - II (Rs. 66,200,000/-)  
 09 monthly instalments of Rs. 300,000/- each w.e.f. 31<sup>st</sup> July, 2013.  
 12 monthly instalments of Rs. 500,000/- each w.e.f. 30<sup>th</sup> April, 2014.  
 12 monthly instalments of Rs. 500,000/- each w.e.f. 30<sup>th</sup> April, 2015.  
 12 monthly instalments of Rs. 2,100,000/- each w.e.f. 30<sup>th</sup> April, 2016.  
 11 monthly instalments of Rs. 2,200,000/- each and last instalment of Rs. 2,100,000/- w.e.f. 30<sup>th</sup> April, 2017.  
 Funded Interest Term Loan - III (Rs. 1,500,000/-)  
 30 monthly instalments of Rs. 50,000/- each w.e.f. 31<sup>st</sup> July, 2013.

**From Punjab National Bank**  
 Restructuring Credit Facilities  
 Restructured Term Loan (Rs. 273,000,000/-)  
 03 monthly instalments of Rs. 200,000/- each w.e.f. January, 2014.  
 24 monthly instalments of Rs. 200,000/- each w.e.f. April, 2014.  
 12 monthly instalments of Rs. 500,000/- each w.e.f. April, 2016.  
 12 monthly instalments of Rs. 2,500,000/- each w.e.f. April, 2017.  
 12 monthly instalments of Rs. 3,500,000/- each w.e.f. April, 2018.  
 12 monthly instalments of Rs. 2,000,000/- each w.e.f. April, 2019.  
 12 monthly instalments of Rs. 2,300,000/- each w.e.f. April, 2020.  
 10 monthly instalments of Rs. 13,800,000/- each w.e.f. April, 2021.  
 Fresh Term Loan (Rs. 34,000,000/-)  
 48 monthly instalments of Rs. 100,000/- each w.e.f. April, 2015.  
 36 monthly instalments of Rs. 600,000/- each w.e.f. April, 2019.  
 07 monthly instalments of Rs. 1,000,000/- each and last instalment of Rs. 600,000/- w.e.f. April, 2022.  
 Funded Interest Term Loan (Rs. 33,800,000/-)  
 09 monthly instalments of Rs. 600,000/- each w.e.f. July, 2013.  
 12 monthly instalments of Rs. 1,000,000/- each w.e.f. April, 2014.  
 11 monthly instalments of Rs. 1,400,000/- each and last instalment of 1,000,000/- w.e.f. April, 2015.

**From United Bank of India**  
 Term Loan (Rs. 95,000,000/-).  
 76 monthly installments of Rs. 100,000/- each w.e.f. December, 2012 to March, 2019  
 07 monthly installments of Rs. 10,900,000/- each w.e.f. April, 2019 to October, 2019  
 01 monthly installment of Rs. 11,100,000/- due & payable in November, 2019.  
 Fresh Term Loan (Rs. 20,000,000/-)  
 82 monthly instalments of Rs. 244,000/- each w.e.f. October, 2013 to July, 2020  
 -Interest on all the above term loans is payable on monthly basis.  
 -The Company has defaulted in repayment of dues (Rs. 4,650,000/-, Rs. 2,400,000/- & Rs. 689,572/-) for the period from January, 2014 to March, 2014, and interest (Rs. 7,163,332/-, ` 6,627,767/- & Rs. 2,465,651/-) for the month of January, 2014 and February, 2014, to State Bank of India, Punjab National Bank & United Bank of India, respectively; which remained unpaid as on 31<sup>st</sup> March, 2014.

**b) Unsecured**

- Unsecured loans from promoters were raised in pursuance of stipulations of the Banks.
- Unsecured loans (Rs. 42,863,268/-) from promoters [i.e. Director (Rs. 4,650,251/-) & Others (Rs. 38,213,017/-)] are exempt deposit, in conformity with the provisions of Section 58A of the Companies Act, 1956 read with Rule 2(b)(xi) of the Companies (Acceptance of Deposits) Rules, 1975.
- The Company has not entered into any contractual agreement(s) with the above referred parties with regard to payment of interest & repayment of principal.

## James Hotels Limited

- 4.6 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.

4.7 **Fixed Assets:**

Capital Work-in-Progress :

Building (under construction - Rs. 302,756,081/- inclusive of interest on term loans - Rs.31,862,819/-), Plant & Machinery (under installation - Rs.30,654,661/- inclusive of interest on term loans - Rs. 2,584,072/-) and Miscellaneous Fixed Assets (under installation - Rs. 89,897,282/- inclusive of interest on term loans - Rs.8,376,740/-), on completion of construction/installation, have been capitalised to the respective assets.

4.8 **Other Non-Current Assets:**

Unamortised Expenses (Rs.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 above mentioned fee till date.

- 4.9 The Registrar of Companies, Punjab & Chandigarh had issued show cause notice no. TS/209A/4249/2213 & No. TS/209A/4249/2221 both dated 29.01.2013 under Sections 383A and 224(8) of the Companies Act, 1956, respectively, against the Company and its Directors. The Company and its directors have filed application under Section 621A of the Companies Act, 1956 for compounding of offences under Section 383A and Section 224(8) of the Companies Act, 1956. The authorised representative appeared before the Company Law Board on 24<sup>th</sup> December, 2013 and submitted to withdraw the compounding application; thereafter, the Hon'ble Board disallowed the compounding application with the direction to the Bench Officer to inform ROC to take such further legal action as deemed fit.

4.10 **Related Party Disclosures (AS-18)**

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

- 4.11 The Company has the policy to account for gratuity on actual payment basis which is not in conformity with accounting for gratuity, as specified under Accounting Standard - 15 "Employee Benefits"; thus loss to that extent has been understated.

4.12 **Earnings Per Share (AS- 20)**

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>Numerator</b>		
Net Loss		
attributable to Equity shareholders	Rs. (101,270,074)	Rs. (15,077,436)
<b>Denominator</b>		
Weighted Average		
Number of Equity shares outstanding	No's 8,000,500	No's 8,000,500
Nominal		
Value per Equity share	Rs. 10	Rs. 10
Earnings per Equity share		
-Basic & Diluted	Rs.(12.66)	Rs. (1.88)

**Note:** Since the case (refer note 4.4 supra) is pending with the Company Law Board, the Company has not considered Share Application Money for computation of diluted earnings per equity share (as required by paragraph 28 of Accounting Standard - 20 on "Earnings Per Share" notified pursuant to the Companies (Accounting Standards) Rules, 2006.

## James Hotels Limited

- 4.13 **Borrowing Costs (AS - 16)**  
Borrowing costs (Rs. 42,823,631/-) attributable to construction/installation of fixed assets have been capitalised, during the year (refer note 4.7 supra).
- 4.14 **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.
- 4.15 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".
- 4.16 **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.
- 4.17 **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.

### 4.18 Auditor's Remuneration

	31 <sup>st</sup> March, 2014 AMOUNT Rs.	31 <sup>st</sup> March, 2013 AMOUNT Rs.
-Audit Fee	70,000	60,000
in other capacity		
Taxation Matters	15,000	
Company Law Matters	10,000	25,000
-Reimbursement of expenses	5,000	5,000
<b>Total</b>	<b>100,000</b>	<b>90,000</b>

### 4.19 Other Additional information

#### "A" Revenue from Operations

The Company is engaged in operating and managing hotel.

#### "B" Raw Material Consumed

Particulars	31 <sup>st</sup> March, 2014 AMOUNT (Rs.)	31 <sup>st</sup> March, 2013 AMOUNT (Rs.)
Food & Beverages	38,787,968	34,702,108

#### "C" Imported & indigenous consumption of Raw Material/Stores & Spares

	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013
Particulars	Amount (Rs.)	%	Amount (Rs.)
- Raw Material/Stores & Spares			
Indigenous	43,389,512	100	39,824,015
Imported	-	-	-

## James Hotels Limited

### D" Transactions in Foreign Currency

<u>Particulars</u>	<u>31<sup>st</sup> March, 2014</u> Amount	<u>31<sup>st</sup> March, 2013</u> Amount
<b>(I) Value of Imports calculated on C.I.F. Basis</b>		
Capital Goods	1,549,089	Nil
<b>(ii) Expenditure in Foreign Currency</b>		
Commission, Repair & Discount	319,183	Nil
Royalty	1,986,404	1,156,159
Repair & Maintenance (Computers)	79,279	Nil
<b>(iii) Earnings in Foreign Currency</b>		
Room Rent, Banquets & Other Income	35,756,367*	12,019,927

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

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

4.21 Figures have been rounded off to nearest rupee.

The notes referred to above form an integral part of the financial statements

Dated : 30th May, 2014  
Place : Chandigarh

#### "AUDITOR'S REPORT"

In terms of our attached report of even date.

**For VASUDEVA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 022239N**  
Sd/-  
(P.K. Vasudeva)  
**PARTNER**  
**Membership No. 13787**

#### For and on behalf of Board of Directors

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

**FOR THE YEAR ENDED 31ST MARCH, 2014**  
**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<br>-Haravtar Singh Arora                           | Managing Director |
| 2. | Individual having control or significant influence<br>-Ajmair Singh Bhullar |                   |

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

S.No.	Nature of Transactions	Key Management Personnel AMOUNT (Rs.)	Individual having control or significant influence AMOUNT (Rs.)
1.	Salaries & Allowances	-	750,000
2.	Directors' Remuneration	750,000	-
3.	Unsecured Loans		
	-Balance as on 01st April, 2013	3,550,251	37,520,017
	Add: Additions during the year	4,100,000	-
	Less: repayments during the year	3,000,000	-
	-Balance as on 31st March, 2014	4,650,251	37,520,017

The notes referred to above form an integral part of the financial statements

**Dated : 30th May, 2014**  
**Place : Chandigarh**

**"AUDITOR'S REPORT"**

In terms of our attached report of even date.

**For VASUDEVA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 022239N**  
**Sd/-**  
**(P.K. Vasudeva)**  
**PARTNER**  
**Membership No. 13787**

**For and on behalf of Board of Directors**

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

### CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH, 2013

	CURRENT YEAR 31ST MARCH, 2013 Rs.	PREVIOUS YEAR 31ST MARCH, 2012 Rs.
<b>"A" CASH INFLOWS</b>		
<b>( I ) FROM OPERATING ACTIVITIES</b>		
a) Loss before tax	(101,270,074)	(15,077,436)
Adjustments :		
Depreciation and amortisation	95,924,546	49,097,487
(Gain)/Loss on sale of fixed assets	0	(285,734)
Interest earned	(1,825,294)	(963,318)
Interest paid/incurred (Net)	70,338,153	13,908,457
Profit from operating activities	63,167,331	46,679,456
b) Working capital changes :		
(Increase)/Decrease in Inventories	(1,745,540)	(3,115,360)
(Increase)/Decrease in Trade Receivables	(1,976,160)	(13,699,648)
(Increase)/Decrease in Short-Term Loans and Advances	(4,046,361)	(6,516,103)
(Increase)/Decrease in Other Current Assets	(2,205,620)	(857,356)
(Increase)/Decrease in Long-Term Loans and Advances	8,373,345	286,166
Increase/(Decrease) in Other Long-Term Liabilities	6,959	159,900
Increase/(Decrease) in Trade Payables	14,534,767	13,618,735
Increase/(Decrease) in Other Current Liabilities	4,651,565	(54,834,485)
Cash generated from operations	<b>92,805,328</b>	<b>(18,278,695)</b>
c) Direct taxes paid (net of refund)	7,377	0
<b>Total "I"</b>	<b>92,812,705</b>	<b>(18,278,695)</b>
<b>( II )FROM INVESTING ACTIVITIES</b>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(95,462,925)	(125,292,056)
b) Proceeds from sale of tangible assets/intangible assets/ capital work-in-progress	0	490,000
c) Purchase of investments	0	0
d) Proceeds from sale of investments	0	0
e) Investment 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-Curent Assets	0	0
h) (Increase)/Decrease in Fixed Deposits	(1,679,819)	4,146,420
i) Dividend received	0	0
j) Interest received	1,825,294	963,318
<b>Total "II"</b>	<b>(95,317,450)</b>	<b>(119,692,318)</b>



## James Hotels Limited

### ( 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)	67,949,988	155,697,967
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	(70,338,153)	(13,908,457)
<b>Total "III"</b>	<b><u>(2,388,165)</u></b>	<b><u>141,789,510</u></b>

<b>"B"</b> Net (decrease)/Increase in cash and cash equivalents (I+II+III)	(4,892,910)	3,818,497
Add : Cash and cash equivalents at the beginning of the year	9,806,393	5,987,896

<b>"C"</b> Cash and cash equivalents at the end of the year	4,913,483	9,806,393
---	-----------	-----------

Cash and Cash equivalents comprises of	CURRENT YEAR 31ST MARCH, 2014 RS.	PREVIOUS YEAR 31ST MARCH, 2013 RS.
Cash & Bank Balances (As per Note 1.12)	21,541,647	24,754,738
Less : Fixed Deposits	16,628,164	14,948,345
	<b><u>4,913,483</u></b>	<b><u>9,806,393</u></b>

#### Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 notified under Section 211(3C) of the Companies Act, 1956.
- Previous year figures have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors

The notes referred to above form an integral part of the financial statements

**Dated : 30th May, 2014**  
**Place : Chandigarh**

#### "AUDITOR'S REPORT"

In terms of our attached report of even date.

**For VASUDEVA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 022239N**  
**Sd/-**  
**(P.K. Vasudeva)**  
**PARTNER**  
**Membership No. 13787**

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

### REGD. OFFICE:BLOCK 10,SECTOR 17-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 33rd. Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2014 at 10.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh and at any adjournments there of.

Name of the Shareholder.....

Client ID No.....

DP ID No.....

Registered Folio No.....

No. of shares held.....

Signed this.....day of.....2014

Signature.....

One  
Rupee  
Revenue  
Stamp

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

### JAMES HOTELS LIMITED REGD. OFFICE:BLOCK 10,SECTOR 17-A,CHANDIGARH ATTENDANCE SLIP

L.F. No.....

No. Of SHARES HELD.....

Client ID No.....

DP ID No.....

I hereby record my presence at the 33rd. Annual General Meeting of the Company to held on Tuesday, the 30th day of September, 2014 at 10.00 A.M. at Indira Holiday Home, Sector 24-B, Chandigarh

.....

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

.....

Signature

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