

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER

On the Application submitted by
James Hotels Limited
In the matter of James Hotels Limited

CO/CFD-DCR/1167/AO/VSS/60/2008

1. On examination of the draft letter of offer and related documents submitted by Mr. Ajmair Singh Bhullar, Mr. H. S. Arora and persons acting in concert (hereinafter referred to as “**Acquirers**”) to Securities and Exchange Board of India (**SEBI**) under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as “**SAST Regulations**”) in respect of the acquisition of 20% shares of **James Hotels Limited** (hereinafter referred to as “**JHL/Noticee**”), it was alleged that JHL had failed to make continual disclosures to the stock exchanges as required under regulation 8(3) of SAST Regulations for the years 1997-1998, 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge the alleged violation of the provisions of regulations 8(3) of SAST Regulations under section 15A (b) read with section 15I of Securities and Exchange Board of India Act, 1992. Consequently, Show Cause Notice No. EAD/EAD-5/PG/102187/2007 dated August 24, 2007 (hereinafter referred to as “**SCN**”) was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 by Mr. Piyoosh Gupta, (then) Adjudicating Officer. Consequent upon the transfer of Mr. Piyoosh Gupta, the undersigned has been appointed as Adjudicating Officer vide order dated November 19, 2007.

2. In the meantime, the Noticee made an application dated September 29, 2007 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid SCN before SEBI. Subsequently, the Noticee vide letter dated August 23, 2008 proposed revised consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it was willing to pay a sum of Rs.2,50,000/- (Rupees two lakhs fifty thousand only) towards settlement charges in the matter. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on October 04, 2008. The HPAC considered the facts and circumstances of the case, revised consent terms offered by the Noticee and the material brought before them by SEBI and recommended that the case may be settled on payment of Rs.2,50,000/- (Rupees two lakhs fifty thousand only). The recommendations of HPAC were placed before the panel of two Whole Time Members of SEBI who have agreed to the terms of consent as recommended by the HPAC.
3. SEBI vide letter dated November 11, 2008 communicated to the Noticee, the recommendations of HPAC that the case may be settled on payment of Rs.2,50,000/-. The Noticee, vide letter dated November 22, 2008, in pursuance of the aforesaid, remitted a sum of Rs.2,50,000/- (Rupees two lakhs fifty thousand only), vide Demand Draft No.763326 dated November 22, 2008 drawn on State Bank of India, Mumbai Main Branch, towards the terms of consent in the matter.
4. In view of above, it is hereby ordered that,

- i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India Act, 1992 in the matter of JHL, and
 - ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
5. This consent order is passed on December 05, 2008 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer