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Sixth Annual Report
1998-99

JAGSON AIRLINES LIMITED

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BOARD OF DIRECTORS	Mr. Jagdish P. Gupta Ms. Ravinder Hora Prof. R.K. Amin Mr. Ranjan Poddar Mr. Sardar Singh Mudgil	Chairman Director Director Director Director
COMPANY SECRETARY	Mr. Swaran Kumar Jain	
AUDITORS	M/s. D.R. Malik & Co. Chartered Accountants C-4/38, Safdarjung Development Area New Delhi - 110 016	
BANKERS	State Bank of Hyderabad, Bank of Punjab Ltd., Deutsche Bank	
CORPORATE OFFICE	12-E, Vandana Building 11, Tolstoy Marg New Delhi - 110 001	
REGISTERED OFFICE	Ground Floor & First Floor 18B, S.D.A. Complex Kasumpti, Shimla Himachal Pradesh - 171 009	
THE STOCK EXCHANGE, MUMBAI	Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	
THE DELHI STOCK EXCHANGE ASSOCIATION LTD.	West Plaza, I.G. Stadium Indraprastha Estate New Delhi - 110 002	
THE LUDHIANA STOCK EXCHANGE ASSOCIATION LTD.	Feroz Gandhi Market, Ludhiana - 141 001	
JAIPUR STOCK EXCHANGE LTD.	Stock Exchange Building, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur - 302 017	

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NOTICE

Notice is hereby given that the Sixth Annual General Meeting of M/s. Jagson Airlines Ltd. will be held at "Panchayati Ghar, P.O. Durgapur, Distt. Shimla, Himachal Pradesh" on Saturday the 27th November, 1999 at 11:30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1999, Profit & Loss Account for the year ended on the date together with Auditors' Report and the report of the Directors' thereon.
2. To appoint a Director in place of Prof. R.K. Amin who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

By Order of the Board
for Jagson Airlines Ltd.

Date : 30.9.99
Place : New Delhi

MS. RAVINDER HORA
DIRECTOR

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received duly filled in at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
2. Register of Members and share transfer books of the Company will be closed from 16th November, 1999 to 27th November, 1999 (both days inclusive)

By Order of the Board
for Jagson Airlines Ltd.

Date : 30.9.99
Place : New Delhi

MS. RAVINDER HORA
DIRECTOR

DIRECTORS' REPORT

To The Shareholders,
Your Directors have pleasure in presenting Sixth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 1999.

Financial Results

	Year Ended 31.03.1999	(Rs. in Lacs) Year Ended 31.03.1998
Profit before Interest & Depreciation	102.71	74.17
Less : Interest	6.42	3.13
Profit before Depreciation	96.29	71.04
Less : Depreciation	21.62	13.79
Profit before tax	74.67	57.25
Less : Provision for Tax	8.00	6.50
Profit after tax	66.67	50.75
Balance of Profit carried to Balance Sheet	66.67	50.75

Operations

During the year under review company's revenue increased by 14.81% to Rs. 598.74 lacs as against Rs. 521.49 lacs, gross profit amounted to Rs. 74.67 lacs against Rs. 57.25 lacs in the previous year.

JAGSON AIRLINES LIMITED

With a view to conserve the resources of the company, the Directors do not propose to recommend any dividend.

Public Deposits

The Company has not accepted any deposits from the public under Section 58-A of the Companies Act, 1956 during the year.

Employees

During the year there were no employees who were in receipt of remuneration as per the limits prescribed under Section 217(2A) of the Companies Act, 1956.

Y2K Problem

Your company has taken appropriate steps to ensure that the applications are fully Y2K compliant in the near future. The cost incurred for achieving Y2K compliance are not likely to have any significant effect on financial position of the company.

Listing Requirement

As required by Clause 32 of Listing agreement, cash flow statement is appended.

Conservation of Energy, Technology Absorption and Foreign Exchange earnings & Outgo.**Conservation of Energy**

The Company is maintaining its aircrafts to standards laid down by Director General of Civil Aviation. This keeps the fuel consumption at the optimum level. Hence Disclosure of particulars with respect to conservation of energy in Form "A" pursuant to Companies (Disclosure of particulars in the report of Directors) Rules, 1988 are not applicable.

Technology Absorption

The operations of the Company do not involve any technology absorption and hence Disclosure of particulars with respect to conservation of energy in Form "B" pursuant to Companies (Disclosure of particulars in the report of Directors) Rules, 1988, are not applicable.

Foreign Exchange Earnings and Outgo

Total Foreign Exchange earned and used during the year is as under :

	Rs. (in Lacs)
Foreign Exchange Earned	85.44
Foreign Exchange Used	155.58

Directors

Prof. R.K. Amin, Director retires by rotation and being eligible, offers himself for reappointment.

Listing of Shares

Shares of your company at present are listed at Delhi, Mumbai, Ludhiana and Jaipur Stock Exchanges. Company had paid the listing fees of all the above stock exchanges.

Auditors

M/s. D.R. Malik & Co., Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Acknowledgement

Your Directors place on record their appreciation for the continued support received from DGCA, Airport Authority other Govt. Departments, Bankers and Agents. Your Directors would also like to express their appreciation for the outstanding contribution made by all employees during the year.

By Order of the Board
for Jagson Airlines Ltd.

Date : 30.9.99
Place : New Delhi

JAGDISH P. GUPTA
CHAIRMAN

AUDITORS' REPORT

JAGSON AIRLINES LIMITED

The Members,

Jagson Airlines Limited

We have audited the attached Balance Sheet of Jagson Airlines Limited as at 31st March, 1999 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.
 - c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999; and
 - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For D.R. Malik & Co.
Chartered Accountants
(Deepak R Malik)
Proprietor

Place : New Delhi
Dated : 30.9.1999

Annexure to the Auditors' Report (Referred to in Paragraph (1) above)

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable.
- ii) None of the fixed assets have been revalued during the year.
- iii) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of stores and spares. In our opinion the frequency of verification is reasonable.
- iv) As per information and explanations given to us, the procedure of physical verification of stores and spares followed by the company is adequate considering size of the company and the nature of its business.
- v) We were informed that no material discrepancies were noticed on physical verification of stores and spares as compared to book records.
- vi) The valuation of stores and spares is fair and proper and is in accordance with a normally accepted accounting principles.
- vii) The Company has not taken any loan from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from companies under the same management.
- viii) The Company has not granted any loans, secured or unsecured to companies firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and to Companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.