



Fifteenth Annual Report 2007-2008



JAGSON AIRLINES LIMITED

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BOARD OF DIRECTORS

Mr. Jagdish P. Gupta

Chairman and
Managing Director

Ms. Ravinder Hora

Director

Mr. Bhuv Kant

Director

Mr. Sardar Singh Mudgal

Director

Mr. Vinod Vaish

Director

Mr. Probir Chandra Sen

Director

Mr. Ramesh Chandra Jain

Director

COMPANY SECRETARY

Mr. Ram Pravesh

AUDITORS

M/s Sanjay Kailash & Associates
Chartered Accountants
A-2/131,
Rajouri Garden,
New Delhi - 110 027

BANKERS

State Bank of Hyderabad,
Centurion Bank of Punjab Ltd.,
Andhra Bank,
Bank of Baroda,
Central Bank of India,
Corporation Bank,
State Bank of India,
Syndicate Bank,
J&K Bank.
ICICI Bank

CORPORATE OFFICE

IIIrd Floor, Vandana Building
11, Tolstoy Marg
New Delhi-110 001

REGISTERED OFFICE

18B, S.D.A. Complex
Kasumpti, Shimla
Himachal Pradesh-171 009

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry (P) Ltd.
B-106, Sector-2,
Noida - 201301

THE STOCK EXCHANGE, MUMBAI

Phiroz Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

THE DELHI STOCK EXCHANGE ASSOCIATION LTD.

DSE House
3/1, Asaf Ali Road
New Delhi-110 002

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of M/s Jagson Airlines Limited will be held at Panchayat Ghar, P.O. - Durgapur, Distt. Shimla, Himachal Pradesh on Saturday the 27th day of September 2008 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Account for the period ended on 31st March, 2008 together with the Director's Report and the Auditor's Report thereon;
2. To appoint a Director in place of Mr. Bhuvu Kant who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint a Director in place of Mr. Sardar Singh Mudgal who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint M/s Sanjay Kailash & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Vinod Vaish, a Director, who was appointed as an additional Director, in the meeting of the Board of Directors held on 25th March, 2008 and who holds office upto the date of 15th Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member of the Company signifying their intention to propose his name as a candidate for the post of Director of the company be and is hereby appointed as Director of the Company."

6. To consider and if thought fit, to pass with or without modification (s) the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mr. Probir Chandra Sen, a Director, who was appointed as an additional Director, in the meeting of the Board of Directors held on 25th March, 2008 and who holds office upto the date of 15th Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member of the Company signifying their intention to propose his name as a candidate for the post of Director of the company be and is hereby appointed as Director of the Company."

7. To consider and if thought fit, to pass with or without modification (s) the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mr. Ramesh Chandra Jain, a Director, who was appointed as an additional Director, in the meeting of the Board of Directors held on 25th March, 2008 and who holds office upto the date of 15th Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member of the Company signifying their intention to propose his name as a candidate for the post of Director of the company be and is hereby appointed as Director of the Company."

8. To consider and if thought fit, to pass with or without modification (s) the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorised to seek voluntarily delisting of its securities from Delhi Stock Exchanges Association Limited."

"RESOLVED FURTHER THAT the securities of the company shall continue to be listed on the stock exchange having nation wide trading terminals viz the stock exchange Mumbai and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company."

"RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution."

For & on Behalf of the Board
For JAGSON AIRLINES LIMITED
Sd/-

Jagdish P. Gupta
Chairman cum Managing Director

Place : New Delhi
Date : 28.08.2008

JAGSON AIRLINES LIMITED**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy. Proxy need not be a member. The form of proxy must reach at least 48 hours before the meeting.
2. Copy of the explanatory statement pursuant to provisions of section 173(2) of the Companies Act, 1956 is attached herewith.
3. The Notice convening the Annual general meeting is to be sent to every member. No extra copy shall be available at the meeting; the members are requested to bring their copy in the meeting.
4. Members are requested to inform their change of address so that they can receive their correspondence in time.
5. The Register of Members and Share Transfer Register the Company shall remain closed from 25th September, 2008 to 26th September, 2008 (both days inclusive).
6. No Gift is allowed in the meeting.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**ITEM NO. 5**

In order to strengthen the Board of Directors, your Board had appointed Mr. Vinod Vaish, as an Additional Director, having vast experience in the field of aviation industry.

Mr. Vinod Vaish joined the Board with effect from 25th March, 2008, pursuant to section 260 of the Companies Act, 1956 and he will hold office upto the date of next Annual General Meeting.

The company has received notice under section 257 of the Companies Act, 1956 from shareholders of the company proposing the name of the Mr. Vinod Vaish for the post of director of the Company.

Your directors are of the view that company would be immensely benefited by the wealth of experience and expert guidance of the new director and hence commend for approval, resolutions contained in item no. 5 of the notice convening the Annual General Meeting.

None the directors except Mr. Vinod Vaish is concerned or interested in item no. 5 of the notice.

ITEM NO. 6

In order to strengthen the Board of Directors, your Board had appointed Mr. Probir Chandra Sen, as an Additional Director, having vast experience in the field of aviation industry.

Mr. Probir Chandra Sen joined the Board with effect from 25th March, 2008, pursuant to section 260 of the Companies Act, 1956 and he will hold office upto the date of next Annual General Meeting.

The company has received notice under section 257 of the Companies Act, 1956 from a shareholders of the company proposing the name of the Mr. Probir Chandra Sen for the post of director of the company.

Your directors are of the view that company would be immensely benefited by the wealth of experience and expert guidance of the new director and hence commend for approval, resolutions contained in item no. 6 of the notice convening the Annual General Meeting.

None the directors except Mr. Probir Chandra Sen is concerned or interested in item no. 6 of the notice.

ITEM NO. 7

In order to strengthen the Board of Directors, your Board had appointed Mr. Ramesh Chandra Jain, as an Additional Director, having vast experience in the field of aviation industry.

Mr. Ramesh Chandra Jain joined the Board with effect from 25th March, 2008, pursuant to section 260 of the Companies Act, 1956 and he will hold office upto the date of next Annual General Meeting.

The company has received notice under section 257 of the Companies Act, 1956 from shareholders of the company proposing the name of the Mr. Ramesh Chandra Jain for the post of director of the company.

Your directors are of the view that company would be immensely benefited by the wealth of experience and expert guidance of the new director and hence commend for approval, resolutions contained in item no. 7 of the notice convening the Annual General Meeting.

None the directors except Mr. Ramesh Chandra Jain is concerned or interested in item no. 7 of the notice.

ITEM NO. 8

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nation wide trading terminal, i.e., The Stock Exchange, Mumbai, the National Stock Exchange of India and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at Bombay Stock Exchange and Delhi Stock Exchange.

Considering the Non- trading of Equity Shares of the company and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Delhi Stock Exchange Association Limited (DSE) as proposed in the special resolution. The securities of the company shall continue to be listed on the Stock Exchange, Mumbai Stock Exchange.

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

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JAGSON AIRLINES LIMITED**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting Fifteenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

Particulars	Amount (Rs. In Lacs)	
	Year Ended March 2007	Year Ended March 2008
Total Income	1501.75	2107.48
Gross Profit/ (Loss) before Dep. & Tax	(89.71)	9371
Provision for depreciation	256.14	221.88
Tax Provision	Nil	Nil
Provision for Deferred Tax	265.73	416.95
Provision for FBT	6.00	6.56
Net Profit/ (loss)	(617.58)	(551.68)
General Reserves (Surplus of Profit & Loss A/c)	1095.75	133.10

OPERATIONS

The Company had closed its books for the year 2007-08 with a loss of Rs. 1169.26 Lacs as against previous year Loss of Rs. 551.68 Lacs.

The company has received the Regional Scheduled Air Transport Services permit on 30th June, 2008 and is now planning to operate as Schedule Airlines shortly. The company also planning to go for such airlines routes as may be available and beneficial for the company.

DIVIDEND

The Board of Directors has not re-commended any dividend for this year under review keeping in view the financial requirements & growth of the Company.

PUBLIC DEPOSITS

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

DIRECTORS

Mr. Bhuvu Kant and Mr. Sardar Singh Mudgal, Directors are retiring by rotation and being eligible, offers themselves for reappointment.

Your Board of Directors recommends their appointments for your approval.

Mr. Vinod Vaish, Mr. Probir Chandra Sen and Mr. Ramesh Chandra Jain joined the Board and appointed as an additional Directors with effect from 25th March, 2008. Pursuant to section 260 of the companies Act, 1956 all the three directors will hold office upto the date of Annual General Meeting.

Your directors are of the view that Company would be immensely benefited by the wealth of experience and expert guidance of the new directors and hence recommends their appointments for your approval.

Mr. A.S. Kalkat has resigned from the directorship of the Company w.e.f. 21st February, 2008. The Board of Directors of your Company places its gratitude and appreciation for his valuable services and advises to Board during his tenure as Director.

AUDITORS

M/s. Sanjay Kailash & Associates, Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of three Non-Executive Directors (majority of them being independent) namely Ms. Ravinder Hora, Mr. Bhuvu Kant, and Mr. Sardar Singh Mudgal. Ms. Ravinder Hora is the Chairman of the Audit Committee. The constitution of Audit Committee also meets with the requirement of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement.

SHARE TRANSFER COMMITTEE

The Share transfer committee controls the physical & demat shares and meets regularly.

INVESTORS GRIEVANCES COMMITTEE

All the grievances of the shareholders are redressed on priority basis when the complaints /grievances are received by the Company.

LISTING REQUIREMENT

As required by Clause 32 of the Listing Agreement, Cash Flow Statement is appended with the Annual Accounts of the Company.

LISTING OF SHARES

Shares of your Company at present are listed with Delhi Stock Exchange Association Limited and Mumbai Stock Exchanges Limited.

Your company is now planning to de-list the shares of the

company form Delhi Stock Exchange Association Limited because shares of the company not traded on that Stock Exchange.

As required by clause 32 of Listing Agreement, Cash flow Statement is appended with the Annual Accounts of the Company.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

CONSERVATION OF ENERGY

The Company is maintaining its aircrafts as per the 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 is not applicable.

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	(In Lacs)	
	<u>31.03.2008</u>	<u>31.03.2007</u>
Foreign Exchange Earned	—	98.74
Foreign Exchange Used	20.55	512.49

EMPLOYEES

During the year under review the detail of the employees who are in receipt of remuneration exceeding the limits as prescribed under Section 217(2A) of the Companies Act, 1956 is as under:

Sl. No	Name	Designation	Remuneration (Per Month) (In Rs.)	Qualification	Date of Employment (In Years)	Total Employment (In Years)	Age	Last Employment
1	Capt. S. K. Gupta	Commander	2,50,000	M S C	18.07.2006	40	62	Pawan Hans Helicopter
2	Capt. Vijay Prakash	Commander	2,50,000	Inter Science	03.07.2006	42	62	Pawan Hans Helicopter
3	Capt. VPS Parmar	Commander	2,50,000	Graduate	15.05.2006	27	48	Hindustan Aeronautics Ltd.
4	Capt. Chirva Alexander	Helicopter Capt.	2,50,000	Graduate	30.01.2008	39	59	Shree Airlines Nepal
5	Capt. Arieal Ramos	Commander	2,05,000	Graduate	14.09.2007	15	35	Chad Govt.

JAGSON AIRLINES LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors had prepared the accounts for the year ended 31st March, 2008 on a 'going concern' basis.

ACKNOWLEDGEMENT

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

For and on behalf of the Board
For JAGSON AIRLINES LIMITED
Sd/-

Jagdish P.Gupta
Chairman

Place : New Delhi

Date :28.08.2008

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CORPORATE GOVERNANCE DISCLOSURE**1. Company's Philosophy on Corporate Governance**

Corporate Governance is the combination of voluntary practices and compliance with Laws and Regulations leading to effective control and management of the Organisation. Good Corporate Governance leads to long-term shareholder value and enhance interest of the stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the Organisation towards creating wealth and shareholder value.

At Jagson Airlines Limited, our pursuit towards achieving good governance is an ongoing process, as a conscious and conscientious effort thereby ensuring truth, transparency, accountability and responsibility in all our dealings with our Employers, Stakeholders, Consumers and Community at large. It is an ongoing measure of superior delivery objective of the Company in view to translate opportunities into reality.

The Board of Directors of Jagson Airlines Limited is committed to business integrity, high ethical values and professionalism across all its activities. As an essential part of this commitment the Board supports the highest standards of Corporate Governance as it must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and sense of justice and this balance depends on accountability and transparency which builds stake holder's confidence.

2. Board of Directors

The Board of Directors of the Company consists of one executive Chairman - cum - Managing Director and Seven non-executive Directors, who are independent Director including one Promoter Director.

During the year 2007-08 the Board met Fifty Times on the following dates, namely 4th April 2007, 5th April 2007, 6th April 2007, 11th April 2007, 28th April 2007, 6th May 2007, 12th May 2007, 14th May 2007, 19th May 2007, 4th June 2007, 18th June 2007, 30th June 2007, 6th July 2007, 21st July 2007, 31st July 2007, 14th August 2007, 31st August 2007, 20th September 2007, 9th October 2006, 31st October 2007, 16th October 2007, 18th October 2007, 31st October 2007, 14th November 2007, 15th November 2007, 19th November 2007, 20th November 2007, 24th November 2007, 27th November 2007, 28th November 2007, 29th November 2007, 1st December 2007, 8th December 2007, 13th December 2007, 24th December 2007, 29th December 2007, 31st December 2007, 9th January 2008, 19th January 2008, 28th January 2008, 30th January 2008, 9th February 2008, 11th February 2008, 12th February 2008, 21st February 2008, 29th February 2008, 7th March 2008, 24th March 2008, 25th March 2008, and 31st March 2008.

Composition of Board of Directors as on 31st March 2008 is as follows:

Name	Category	Attendance Particulars		Number of other directorships and		
		Board Meeting	Last AGM	Other Directorships	Committee Membership	Committee Chairmanships
Mr. J. P. Gupta	CMD	50	Present	1	-	-
Ms. Ravinder Hora	DIR	50	Present	1	3	3
Mr. Bhuvi Kant	DIR	26	Present	-	3	-
Mr. S. S. Mudgal	DIR	40	-	-	3	-
Mr. Vinod Vaish	DIR	1	-	1	1	-
Mr. Probir Chandra Sen	DIR	1	-	1	-	-
Mr. Ramesh Chandra Jain	DIR	1	-	2	1	1

CMD : Chairman - cum - Managing Director, DIR- Directors rotating by rotation and who are not Whole - Time Directors of the Company.

None of the Directors is a member of more than ten Committees and acts as a Chairman in more than Five Committees across all Companies in which he is a Director.

Mr. Bhuvi kant and Mr. Sardar Singh Mudgal, Directors are retiring by rotation and being eligible, offers themselves for re-appointment.

In order to strengthen the Board of Directors, your Board had appointed Mr. Vinod Vaish, Mr. Probir Chandra Sen and Mr. Ramesh Chandra Jain, having vast experience in the field of aviation industry as an additional Director with effect from 25th March, 2008. Pursuant to Section 260 of the companies Act, 1956 all the three directors will hold office upto the date of Annual General Meeting. Your directors are of the view that company would be immensely benefited by the wealth of experience and expert guidance of the new directors.

Mr. A.S. Kalkat has resigned from the directorship of the Company with effect from 21st February, 2008.