



**Nineteenth Annual Report  
2011-2012**



**JAGSON AIRLINES LIMITED**

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<b>BOARD OF DIRECTORS</b>	Mr. Jagdish P. Gupta	Chairman and Managing Director
	Ms. Ravinder Hora	Director
	Mr. Bhuvu Kant	Director
	Mr. Sardar Singh Mudgal	Director
	Mr. Ramesh Chandra Jain	Director
	Mr. Rajendra Prasad Sinha	Director
<b>COMPANY SECRETARY</b>	Chhama Goel	
<b>AUDITORS</b>	M/s Sanjay Kailash & Associates Chartered Accountants A-2/131, Rajouri Garden, New Delhi - 110 027	
<b>BANKERS</b>	State Bank of Hyderabad, HDFC Bank Ltd., Andhra Bank, Bank of Baroda, Central Bank of India, Corporation Bank, State Bank of India, Syndicate Bank, J&K Bank, ICICI Bank Federal Bank Axis Bank	
<b>CORPORATE OFFICE</b>	IIIrd Floor, Vandana Building 11, Tolstoy Marg New Delhi-110 001	
<b>REGISTERED OFFICE</b>	18B, S.D.A. Complex Kasumpti, Shimla Himachal Pradesh-171 009	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	RCMC Share Registry (P) Ltd. B-106, Sector-2, Noida - 201301	
<b>THE STOCK EXCHANGE, MUMBAI</b>	Phiroz Jeejeebhoy Towers, Dalai Street, Mumbai-400 001	
<b>THE STOCK EXCHANGE, DELHI</b>	DSE House 3/1, Asaf Ali Road New Delhi-110 002	

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**NOTICE**

Notice is hereby given that the Nineteenth 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 29<sup>th</sup> day of September 2012 at 10.00 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 31<sup>st</sup> March, 2012 together with the Director's Report and the Auditor's Report thereon;
2. To appoint a Director in place of Mr. Bhuvi Kant who retires by rotation and being eligible, offers herself 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.

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

Place : New Delhi  
Date: 29<sup>th</sup> August 2012

**Jagdish P. Gupta**  
**Chairman cum Managing Director**

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy. Proxy need not be a member of the Company. The form of proxy must reach to the registered office of the Company at least 48 hours before the commencement of the meeting.
2. 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.
3. Members attending the meeting are requested to complete the enclosed attendance slip & deliver the same at the entrance of the meeting hall.
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 26<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive).
6. Distribution of Gift is not allowed in the meeting.

**DIRECTOR'S REPORT**

To,  
The Members,  
Your Directors have pleasure in presenting Eighteenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2012.

**FINANCIAL RESULTS**

Particulars	Amount (Rs. In Lacs)	
	Year Ended March 2012	Year Ended March 2011
Total Income	1798.72	1079.20
Gross Profit/ (Loss) before Dep. & Tax	420.56	(489.54)
Provision for depreciation	193.74	287.27
Tax Provision	Nil	Nil
Provision for Deferred Tax	Nil	64.66
Provision for FBT	-	-
Net Profit/ (loss)	193.72	(844.34)
General Reserves (Surplus of Profit & Loss A/c)	962.65	962.65

**OPERATIONS**

The Company had closed its books for the year 2011-12 with a loss of Rs. 2218.70 Lac as against previous year Loss of Rs. 3163.45 Lac.

**DIVIDEND**

The Board of Directors has not recommended 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. Bhuvi Kant and Mr. Sardar Singh Mudgal, Directors are retiring by rotation and being eligible, offers themselves for reappointment.

Your Board of Directors recommends their appointment for your approval.

**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 consists Ms. Ravinder Hora, Mr. Bhuvi Kant, and Mr. Sardar Singh Mudgal. Two third of the members are Independent. Mr. Bhuvi Kant 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 & demats 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 Limited and Bombay Stock Exchange Limited.

**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>31.03.2012</u>	<u>31.03.2011</u>
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	-

**EMPLOYEES**

During the year under review none of the employees are in receipt of remuneration exceeding the limits as prescribed under Section 217(2A) of the Companies Act, 1956

**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, 2012, 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, 2012 on a going concern basis.

**ACKNOWLEDGMENT**

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

Place : New Delhi  
Date : 29th August, 2012

Sd/-  
Jagdish P. Gupta  
Chairman

**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 shareholders 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 Organization towards creating wealth and shareholders 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 Employees, 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, one executive Promoter Director and four non-executive Directors, who are independent Director.

During the year 2011-12 the Board met Seventeen times on the following dates, namely:

28.04.2011, 14.05.2011, 02.06.2011, 15.07.2011, 12.08.2011, 25.08.2011, 09.09.2011, 24.09.2011, 20.10.2011, 15.11.2011, 15.12.2011, 10.01.2012, 24.01.2012, 25.02.2012, 29.02.2012, 16.03.2012, 31.03.2012

Composition of Board of Directors as on 31<sup>st</sup> March 2011 is as follows:

Name	Category	Attendance Particulars		Number of other directorships and		
		Board Meeting	Last AGM	Other Directorships	Committee Membership	Committee Chairmanships
Mr. Jagdish Pershad Gupta	CMD	17	Present	1	-	-
Ms. Ravinder Hora	DIR	17	Present	1	2	1
Mr. Bhuvu Kant	DIR	16	Present	2	3	2
Mr. Sardar Singh Mudgal	DIR	14	-	2	3	-
Mr. Ramesh Chandra Jain	DIR	4	-	2	2	1
Mr. Rajendra Pershad Sinha	DIR	2	-	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/she is a Director.

Mr. Bhuvu Kant and Mr. Sardar Singh Mudgil, Directors are retiring by rotation and being eligible, offers themselves for re-appointment.

The brief profile of the Directors to be re-appointed is as under:

S. No.	Name	Date of Birth	Nationality	Qualification & Experience
1.	Mr. Bhuvu Kant	05.03.1962	Indian	A Chartered Accountant by profession having wide exposure in auditing, taxation and accounts.
2.	Mr. Sardar Singh Mudgal	07.05.1953	Indian	A person with wide exposure having nearly 30 years experience in aviation sector & oil exploration.

**3. Audit Committee**

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising Independent non-Executive Directors namely Mr. Bhuvu Kant and Mr. Sardar Singh Mudgal, Ms. Ravinder Hora (Executive and Promoter Director) The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

Audit Committee had met five times during the year 2011-12, namely;

14<sup>th</sup> April 2011, 12<sup>th</sup> August, 2011, 25<sup>th</sup> August 2011, 15<sup>th</sup> November 2011, 29<sup>th</sup> February, 2012.

The terms of reference specified by the Board to the Audit committee as contained under Clause - 49 of the Listing Agreement are as follows:-

- a. Oversight of the company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on :
  - (i) any changes in accounting policies and practices ;
  - (ii) major accounting entries based on exercise of judgment by management ;
  - (iii) Qualifications in draft audit report ;
  - (iv) Significant adjustments arising out of Audit ;
  - (v) The going concern assumption ;
  - (vi) Compliance with accounting standards ;
  - (vii) Compliance with stock exchange and legal requirements concerning financial statements and
  - (viii) Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- d. Reviewing with the management, external and internal auditors, and the adequacy of Internal Control Systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follow up thereon.
- g. 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.
- h. Discussion with External Auditors before the Audit commences the nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's various financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors and shareholders (in case of non payment of declared dividends) and creditors.

#### **4. Remuneration Committee**

Remuneration Committee consists of three independent Directors viz., Mr. R.C.Jain, Mr. Bhuv Kant and Sardar Singh Mudgal, Directors of the company. Mr. Bhuv Kant is the Chairman of the remuneration committee.

As per terms of appointment no remuneration is payable to Shri Jagdish Pershad Gupta, Chairman cum Managing Director and other Directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board thereof.

The company pays sitting fees to all Directors including Chairman cum Managing Director at the rate of Rs. 3000/- (Rs. Three Thousands Only) for each meeting attended by them.

#### **5. Share Transfer Committee**

Share transfer Committee meet at the regular interval of 15-20 days. The Committee approves Transfer of Shares etc. During the period, 23 meetings of the Committee were held. All valid requests for transfers of Shares, Issue of Duplicate Shares Certificates etc. in physical form were processed in time. The Committee avoids the pendency in the functioning of the Share Department. Company's Shares are compulsorily required to be traded in dematerialization form.

#### **6. Shareholders / Investors Grievance Committee**

The Shareholders/Investors Grievance Committee specifically looks into redressing of Shareholders/Investors Complaints such as Transfer, Change of Address etc. The Committee consists of three Directors, namely, Ms. Ravinder Hora (Chairman of the Committee) and Mr. Bhuv Kant, Director, Sardar Singh Mudgil, Director. Ms. Chhama Goel, Company Secretary is the Compliance Officer who oversees the Investor Grievances such as non-receipt annual report, delays in transfer/transmission of Shares / Debentures etc. The Committee also reviews Investor's Grievances.

During the year under review, various letters /enquiries were received from Investors which were replied / resolved to the satisfaction of the Investors.

**7. General Body Meetings**

The General Meetings of the Company held during previous Financial years are as under:

<u>Year</u>	<u>Location</u>	<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>No. of Special Resolution</u>
2008-09	Panchyat Ghar, P O Durgapur, Distt. Shimla, Himachal Pradesh	30.06.2009	10.00 A.M.	E.G.M.	01
2008-09	Same as above	22.09.2009	10.00 A.M.	A.G.M	Nil
2009-10	Same as above	25.09.2010	10.00 A.M.	A.G.M	Nil
2010-11	Same as above	29.09.2011	10.00 A.M.	A.G.M	Nil

Note:

**Postal Ballot:**

Voting Pattern and Procedure for Postal Ballot:

- The Board of directors of the Company had at its meeting held on 24<sup>th</sup> Jan 2012, appointed Mr. Ashish Kumar Friends, a practicing company secretary as the Scrutinizer for conducting the Postal Ballot voting Process.
- The Company had completed on 24<sup>th</sup> Jan 2012, the dispatch of postal ballot forms along with prepaid business reply envelopes to its members.
- Particulars of the postal ballot forms received from the members had been entered in a register separately maintained for this purpose.
- The postal Ballot forms had been kept under safe custody in sealed postal ballot boxes before commencement of scrutiny.
- All postal ballot forms received upto the close of working hours on 24<sup>th</sup> Feb 2012, the last date fixed for receipt of the postal ballot forms, had been considered in scrutiny.
- The results of the Postal Ballot were announced on 25<sup>th</sup> February 2012 at the Registered Office of the Company.

The summary of the Postal Ballot Resolution is as given below:

<u>S. No.</u>	<u>Particulars</u>	<u>:</u>	<u>Resolution No. 1</u>	<u>Resolution No. 2</u>
1.	Total number of Ballot Forms received	:	9	9
2.	Total number of Invalid Ballot Forms received	:	Nil	Nil
3.	Total number of Members voting in favor of Resolution.	:	9	9
4.	Valid Votes in Favor of the Resolution	:	14426735	14426735
5.	Total number of shares held by Members voting Against the Resolution.	:	Nil	Nil

Accordingly, an 'Ordinary Resolution' u/s 293(1)(a) as set out in item No. 1 and the 'Special Resolution' u/s 198,269,309, read with Schedule XIII, as set out in item No. 2 of the Postal Ballot Notice dated on 24<sup>th</sup> Jan 2012, had been duly approved by the requisite majority of the Shareholders of the Company.

**8. Disclosures**

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the company at large :-

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- b) Details of non-compliance by the Company, Penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years :

There were no instances of non-compliance of any matter related to the capital markets during the last three years.