



Twentieth Annual Report 2012-13



JAGSON AIRLINES LIMITED

JAGSON AIRLINES LIMITED
Nineteenth Annual Report 2011-2012

BOARD OF DIRECTORS	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
COMPANY SECRETARY	Mr. Bidu Bhusan Dash	
AUDITORS	M/s Sanjay Kailash & Associates Chartered Accountants A-2/131, Rajouri Garden, New Delhi - 110 027	
BANKERS	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	
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 STOCK EXCHANGE, DELHI	DSE House 3/1, Asaf Ali Road New Delhi-110 002	

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of M/s Jagson Airlines Limited will be held at Panchyat Ghar, P.O. – Durgapur, Distt.-Shimla, Himachal Pradesh on Saturday the 28th day of September 2013 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 31st March, 2013 together with the Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Ms. Ravinder Hora who retires by rotation and being eligible offers herself for re-appointment,
3. To appoint a Director in place of Mr. Ramesh Chandra Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Sanjay Kailash & Associates 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 and on behalf of the Board
For Jagson Airlines Limited
Sd/-
Jagdish Pershad Gupta
Chairman cum Managing Director

Place: New Delhi
Date: 29th August, 2013

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 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 registers of the company shall remain closed from 26th September, 2013 to 27th September, 2013 (both days inclusive).
6. Distribution of gifts is not allowed in the meeting.

DIRECTOR'S REPORT

To
The Members,
Your Directors have pleasure in presenting Eighteen Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

FINANCIAL REASULTS

Amount (Rs. in Lacs)

Particulars	Year ended March, 2013	Year ended March, 2012
Total Income	35.75	1798.72
Gross Profit/Loss before Dep. & Tax	(86.82)	420.56
Provision for Depreciation	63.11	193.74
Tax provision	Nil	Nil
Provision for deferred tax	13.23	Nil
Provision for FBT	Nil	Nil
Net profit/(Loss)	(149.94)	193.72
General reserve (Surplus profit & Loss A/c)	952.65	962.65

OPERATIONS

The Company has closed its books for the year 2012-2013 with a loss of Rs. (149.94) Lac as against previous year profit of Rs. 193.72 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 58-AA of the Companies Act, 1956 during the year.

DIRECTORS

Ms. Ravinder Hora and Mr. . Ramesh Chandra Jain , Directors are retiring by rotation and being eligible themselves for reappointment.

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.

Your Board of Directors recommends their re-appointment for your approval.

AUDIT COMMITTEE

The Audit Committee consists of Mr. Ravinder Hora, Mr. Bhuvikant, and Mr. Sardar Singh Mudgal. Two third of the members are independent. Mr. Bhuvikant is the Chairman of the Audit Committee of Section 292A of the Companies 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 committees controls the physical & demat shares and meets regularly. This committee consists of Ms. Ravinder Hora, Mr. Bhuvikant and Mr. Sardar Singh Mudgal. Company Secretary of the Company is the Secretary of the Committee.

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 Annual Accounts of the Company.

LISTING OF SHARES

Shares of your Company at present are listed with Bombay Stock Exchange Limited & Delhi 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 (DGCA). 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 Particular in the report of Directors) Rules, 1988 is not applicable.

TECHNOLOGY ABSORPTION

The operation of the company do not involve any 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:

Particulars	31.03.2013	(In Lacs) 31.03.2012
Foreign Exchange earned	0	0
Foreign Exchange used	0	0

EMPLOYEES

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2A) 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 31.03.2013, 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 states of affairs of the Company at the end of the financial year and of the profit and 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.
- (i) That the Directors had prepared the accounts for the year ended 31.03.2013 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 and Customers. Your Directors also like to express their appreciation for the contribution made by the employees during the year.

For & on behalf of the Board
For Jagson Airlines Limited
Sd/-

Place: New Delhi
Date: 29th August, 2013

Jagdish Pershad 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 Organization. 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 2012-13 the Board met Ten times on the following dates, namely:

06.06.2012, 14.07.2012, 16.08.2012, 29.08.2012, 28.09.2012, 16.11.2012, 28.11.2012, 02.01.2013, 15.02.2013, 15.05.2013

Composition of Board of Directors as on 31st March 2013 is as follows:

Name	Category	Attendance Particulars		Number of other directorships		
		Board Meeting	Last AGM	Other Directorships	Committee Membership	Committee Chairmanships
Mr. Jagdish Pershad Gupta	CMD	10	Present	1	-	-
Ms. Ravinder Hora	DIR	10	Present	2	1	1
Mr. Bhuvu Kant	DIR	6	Present	2	3	-
Mr. Sardar Singh Mudgal	DIR	10	-	2	3	-
Mr. Ramesh Chandra Jain	DIR	4	-	-	-	-
Mr. Rajendra Pershad Sinha	DIR	4	-	2	1	1

CMD: Chairman - cum - Managing Director, **DIR**– Directors retiring 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.

Ms. Ravinder Hora and Mr. . Ramesh Chandra Jain , Directors are retiring by rotation and being eligible themselves for reappointment.

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

S. No.	Name	Date of Birth	Nationality	Qualification & Experience
1.	Ms. Ravinder Hora	07.09.1956	Indian	Post Graduate with experience over 30 years in the field of oil exploration, drilling and aviation. She is associated with Jagson International Limited since 1988 and with Jagson Airlines Limited since 1994.
2.	Mr.Ramesh Chandra Jain	01.10.1933	Indian	He is an retired IAS(Indian Administrative Service) officer. He is former secretary to Government of India and former advisor to Governor of Jammu and Kashmir, and Uttar Pradesh.

1. 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 2012-13, namely;

06/06/2012, 16/08/2012, 31/10/2012, 16/11/2012, 15/02/2013, 26/07/2013, 15/05/2013.

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 Mr. R.C.Jain, Mr. Bhuvu Kant and Sardar Singh Mudgal, Directors of the company. Mr. Bhuvu 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.

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, 20 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. Bhuvu Kant, Director, Sardar Singh Mudgil, Director. Bidu Bhusan Dash, 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>
2009-10	Panchyat Ghar, P O Durgapur, Distt. Shimla, Himachal Pradesh	25.09.2010	10.00 A.M.	A.G.M	Nil
2010-11	Same as above	24.09.2011	10.00 A.M.	A.G.M	Nil
2011-12	Same as above	29.09.2012	10.00 A.M.	A.G.M	Nil

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.

9. Means of Communication

The Company had published its quarterly results in English - Financial Express & in Hindi - Himachal Times -Shimla edition and promptly furnished to the Stock Exchanges for display on their respective websites., As per the listing agreement the Company also posted the Financial results, Shareholding Pattern, Quarterly Governance Report etc through Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.in.

- a) Management Discussion and Analysis forms part of the Directors Report which is posted to the Members of the Company.

10. General Shareholder Information**10.1 Annual General Meeting**

Date and Time : 28th September 2013 at 10.00 A.M.
Venue : Panchyat Ghar, P O Durgapur, Distt. Shimla, HP

- 10.2 Financial Calendar 2013-14** : Annual General Meeting (Next year) in the month of (Tentative) September, 2014.

Quarterly Results

Results for the quarter ending 30th June 2012 –Second week of Aug.'2012
Results for the quarter ending 30th September 2012–Second week of Nov.'2012
Results for the quarter ending 31st December 2012 –Second week of Feb.'2013
Results for the year ending 31st March 2013 –Second week of May'2013

- 10.3 Book Closure date** : 26th September 2013 to 27th Sept. 2013 (Both days Inclusive)

- 10.4 Dividend** : No dividend has been declared for the Financial Year 2012-13;

10.5 (a) Listing on Stock Exchanges & Stock Code

<u>Stock Exchange</u>	<u>Code</u>
Delhi Stock Exchange Limited, DSE House, 3/1, Asaf Ali Road, New Delhi-110002	7445
Bombay Stock Exchange Limited, P J Towers, Dalal Street, Fort, Mumbai-400 001	520139

(b) Demat ISIN Number **INE 685B01018**
in NSDL & CDSL

Note: Annual Listing fees for the year 2012-3 have been duly paid to the above Stock Exchanges

10.6 (i) Distribution of shareholding as on 31st March, 2013

Shareholding of Value of Rs.	Shareholders		Shareholdings		
	No.	% to Total	Shares	Amount	% to Total
Upto 5,000	13111	90.37	2435268	24352680	12.07
5,001 To 10,000	801	5.52	660596	6605960	3.28
10,001 To 20,000	329	2.27	503802	2038020.00	2.50
20,001 To 30,000	84	0.58	212535	212350	1.05
30,001 To 40,000	35	0.24	126569	1265690	0.63
40,001 To 50,000	56	0.39	268030	2680300.00	1.33
50,001 To 1,00,000	43	0.30	322598	3225980	1.60
Above 1,00,001	49	0.34	1569582	156395820	77.54
Total	14508	100.00	20168980	201689800.00	100.00

(ii) Shareholding Pattern as on 31st March 2013

Category	%age
(A) Promoter's Category:	
1. Individual/ HUF	02.18 %
2. Body Corporate	69.35 %
(B) Non-Promoter's Category:	
Institutions	Nil
Non Institution:	
1. Indian Public	23.83 %
2. International Investors	01.79 %
3. Bodies Corporate	02.42 %
4. Other	00.44 %

10.6 Liquidity

Company's Shares are traded on Delhi/Mumbai Stock Exchanges. Relevant data for the monthly High & Low price on the Bombay Stock Exchange during the financial year 2012-13 is given below:

Month	High (Rs.)	Low (Rs.)
April 2012	4.45	5.65
May 2012	4.45	4.80
June 2012	4.10	4.55
July 2012	4.30	4.30
August 2012	3.99	4.75
September 2012	3.96	9.26
October 2012	9.72	9.72
November 2012	5.80	6.48
December 2012	5.79	8.67
January 2013	6.39	7.56
February 2013	6.31	7.16
March 2013	6.11	6.29