



**Twentieth Annual Report  
2012-13**



**JAGSON AIRLINES LIMITED**

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**JAGSON AIRLINES LIMITED**  
**Nineteenth Annual Report 2011-2012**

<b>BOARD OF DIRECTORS</b>	Mr. Jagdish P. Gupta Ms. Ravinder Hora Mr. Bhuvu Kant Mr. Sardar Singh Mudgal Mr. Ramesh Chandra Jain Mr. Rajendra Prasad Sinha	Chairman and Managing Director Director Director Director Director
<b>COMPANY SECRETARY</b>	Mr. Bidu Bhusan Dash	
<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, Dalal 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 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 28<sup>th</sup> 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: 29<sup>th</sup> 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 26<sup>th</sup> September, 2013 to 27<sup>th</sup> 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 31<sup>st</sup> 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 had 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. Bhuvi kant, 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. Bhuvi Kant 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: 29<sup>th</sup> 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 31<sup>st</sup> 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. Bhuvi 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. Bhuvi 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. Bhuvi Kant and Sardar Singh Mudgal, Directors of the company. Mr. Bhuvi 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. Bhuvi 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.corpfilng.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 : 28<sup>th</sup> 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 30<sup>th</sup> June 2012 –Second week of Aug.'2012  
Results for the quarter ending 30<sup>th</sup> September 2012–Second week of Nov.'2012  
Results for the quarter ending 31<sup>st</sup> December 2012 –Second week of Feb.'2013  
Results for the year ending 31<sup>st</sup> March 2013 –Second week of May'2013

- 10.3 Book Closure date** : 26<sup>th</sup> September 2013 to 27<sup>th</sup> 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**

<b>Stock Exchange</b>	<b>Code</b>
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 31<sup>st</sup> 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
<b>Total</b>	<b>14508</b>	<b>100.00</b>	<b>20168980</b>	<b>201689800.00</b>	<b>100.00</b>

**(ii) Shareholding Pattern as on 31<sup>st</sup> March 2013**

Category	%age
<b>(A) Promoter's Category:</b>	
1. Individual/ HUF	02.18 %
2. Body Corporate	69.35 %
<b>(B) Non-Promoter's Category:</b>	
<b>Institutions</b>	<b>Nil</b>
<b>Non Institution:</b>	
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



**10.8 Share Transfer System**

As all listed companies should have a Common Agency for both physical and electronic share transfer work. The Company's Registrar cum Transfer Agent for Physical as well as Electronic Share Transfer work is M/s RCMC Share Registry Private Ltd.

After appointment of M/s RCMC Share Registry Private Ltd. as RTA for both Physical and Electronic Share transfer work, all the shares which comes for transfer, demat, remat etc. with the Company are sent to M/s RCMC Share Registry Private Ltd. on daily basis to avoid any delay in transfer.

**10.9 Dematerialisation of shares** : 91.65 % of the Shares issued by the Company have been dematerialised upto 31<sup>st</sup> March 2013.

**10.10 Address for Investor Correspondence:**

- For transfer/dematerialisation of Shares :
- RCMC Share Registry P. Ltd. : B-106, Sector-2,  
Noida-201301,  
Uttar Pradesh
- Any other query : Jagson Airlines Ltd  
3<sup>rd</sup> Floor, Vandana Building,  
11 Tolstoy, Marg ,  
New Delhi -110 001

Note : Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

**For & on behalf of the Board**  
**For JAGSON AIRLINES LIMITED**

**Place: New Delhi**  
**Date: 28<sup>th</sup> August, 2013**

**Jagdish P. Gupta**  
**Chairman**

**MANAGEMENT DISCUSSION & ANALYSIS****INDUSTRY STRUCTURE & DEVELOPMENT**

India is one of the fastest growing markets in the world. Our Company is engaged in the aviation industry mainly in the field of Passenger. The civil aviation sector has played an important role in India's economy. It provides fast and reliable mode of transport across the Globe and is particularly important for many areas / places which are not still connected by Rail or Road. With increasing globalization, this sector will play a more significant role in integrating the Indian economy with the rest of the world.

The scene has changed drastically. The Indian middle class consumer is now dazzled by an array of airlines offering lower fares and new aircraft and striving for better services. The increase in demand for air transport depends on a number of factors, which include rate of growth of the economy and fall in real prices of air services. The Airlines operate at competitive margins. The utilization of capacity becomes another important factor for determining the viability of air operators. The Air Transport plays its role in accordance with its comparative advantage and it is necessary to remove the bottlenecks affecting the Aviation Sector.

Fuel is the largest component of cost of Airline Sector. Domestic Air Travel has turned costlier for Passengers in India. The recent wave of Air Fare hikes happened with Indian Oil increasing aviation turbine fuel prices. The fare hikes in many routes, even though the pricing of Aviation Turbine Fuel (ATF) is now on import parity basis, the rate applicable for domestic operations continue to be significantly higher than that of international operations. The high ATF cost for domestic air transport increases the cost of operation and makes it unviable even in areas where it has comparative advantage over other modes of transport. Any hike in aviation turbine fuel prices immediately impacts airline operations.

**OPPORTUNITIES**

Presently the Company is having Three Dornier 228 Aircrafts. The company has received the Regional Scheduled Air Transport Services permit on 30<sup>th</sup> June, 2008 and is now planning to operate as Schedule Airlines shortly. The company also planning to purchase new aircrafts and go for such airlines routes as may be available and beneficial for the company.

**CHALLENGE & COMPETITION**

Jagson Airlines Limited faces normal market competition from Public sector Airlines. The Public Sector Airlines Companies are taking advantage of network in whole country and the benefits available from the Government.

Company is also facing challenges and competition from new entrance from Private Sector, who may introduce Aircrafts with bigger capacities. However Company is gearing up its operation to deal with the risks involved in this Sector.

**INTERNAL CONTROLS**

Company had set up adequate system of Internal Control to ensure safety of its property assets, and protection against unauthorised use and loss from pilferage of stores and spares which is the backbone of our airlines operations.

Internal control system is followed by extensive internal audits, policies procedures and guidelines. Internal control systems are adequate keeping in view size and operation of the company.

**ENERGY CONSERVATION**

Company is paying full attention for conserving of fuel and its utilisation rate in the aircrafts. Consumption rate of fuel in aircrafts are maintained near to rates prescribed by manufacturers of aircraft and prevailing for aircrafts flown worldwide.

**FOREIGN EXCHANGE EARNED**

During the period under review, your Company has not earned Foreign Exchange.

**HUMAN RESOURCES**

Industrial Relations were cordial & peaceful during the year. The Directors wish to place on record the contribution and cooperation made by all Employees to deal with a difficult period, its Customers and other Persons, Institutions for making their favorable support associated with the Company had passed through last year.

**CHANGE IN ACCOUNTING POLICIES:**

Previous year figures have been re-arranged/re-grouped/re-cast, whenever it was necessary, so that figure of the current year may become comparable with the previous year figures.

**CAUTIONARY STATEMENT**

Statements made in Management Discussion and Analysis stating Company's projection estimate may please be read as statements made within applicable Laws and Regulations and actual results may differ from those expressed. The actual results depends on different factors like prevailing economic situation in world economy and its impact on Indian Economy, Inflation, Government Policies, Market and Supply Conditions, Tax Laws & other Statutes, which may be applicable from time to time.

**For & on behalf of the Board  
For JAGSON AIRLINES LIMITED**

Place : New Delhi  
Date : 29<sup>th</sup> August, 2013

Jagdish P. Gupta  
Chairman

**CERTIFICATE OF MANAGING DIRECTOR ON CODE OF CONDUCT**

To,  
The Members  
It is hereby certified that:

- (a) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its members and senior management personnel.
- (b) The affirmation of compliance of code of conduct for the year 2011-12 has been received from all the Board members and senior management personnel.

**Place: New Delhi**  
**Date: 29<sup>th</sup> August, 2013**

**For JAGSON AIRLINES LIMITED**  
**Jagdish P. Gupta**  
**Chairman cum Managing Director**

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To,  
The Members of Jagson Airlines Limited:

1. We have examined the compliance of conditions of Corporate Governance by Jagson Airlines Limited for the year ended on 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation(s) thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Investors' Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the company.

**Place : New Delhi**  
**Date:**

**For Sanjay Kailash & Associates**  
**Chartered Accountants**

**(Sanjay Mehra)**  
**Prop.**  
**Membership No. 091866**

Dear Members,

Ministry of Corporate Affairs (MCA) has taken green initiatives by publishing notification no 18/2011 dated 29/4/2011, which allows companies to forward Annual Reports containing Balance Sheet, Profit & Loss Account along with other required annexure through e-mail. Further, the Department of Post, Government of India has discontinued the scheme of service of documents under postal certificate (UPC).

In this situation, we, M/S Jagson Airlines Limited, request you to provide us your e-mail ID, so that we can provide all documents to you through mail. Also, if you are interested to receive documents through post only, kindly provide intimation to us accordingly.

Our sincere request to you to kindly co-ordinate with us to serve you better.

Thanking you,  
Yours faithfully,  
For & on Behalf of the Board  
**For JAGSON AIRLINES LIMITED**

**Place : New Delhi**  
**Date: 29.08.2013**

**Jagdish Pershad Gupta**  
**Chairman cum Managing Director**

Sanjay Kailash & Associates.  
CHARTERED ACCOUNTANTS

A-2/131, Rajouri Garden  
New Delhi-110027

**AUDITOR'S REPORT****THE MEMBERS  
JAGSON AIRLINES LIMITED**

We have audited the attached Balance Sheet of Jagson Airlines Limited as at 31<sup>st</sup> March, 2013 and also the Profit and Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclosed in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments referred to in paragraph (1) above, we report that:-
  - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - II. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - III. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
  - IV. In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - V. Based on representation made by the Directors of the company and information and explanations given to us, none of the Directors of the company are prima-facie as at 31.03.2012 are disqualified for being appointed as Director of the Company in terms of clause (g) of the sub section (i) of section 274 of the Companies Act 1956.
  - VI. In our opinion and to the best of our information and according to the explanations given to us, the 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:
    - A) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2013, and
    - B) In case of the Profit and Loss Account of the Profit for the year ended on that date.

For Sanjay Kailash & Associates  
Chartered Accountants

Place: New Delhi  
Date:

(Sanjay Mehra)  
Proprietor

**ANNEXURE TO THE REPORT OF THE AUDITORS  
(REFERRED TO IN PARAGRAPH ABOVE)**

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
2. A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
3. Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the ongoing concern status of the Company.
4. There is no stocks of stores & spares as verified during the year by the management. In our opinion the frequency of verification is reasonable.
5. The procedures of physical verification of stores and spares followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
6. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.
7. The company has not granted/taken loans secured or unsecured to/from Companies, firm or other parties covered in the register maintained under section 301 of the Companies act 1956.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores & spares and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
9. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
10. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit under Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to deposits accepted from the public.
11. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
12. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
13. According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2013 for a period of more than six months from the date on which they became payable.
14. According to the records of the Company and information provided, there are no dues of sales tax, wealth tax, excise duty or cess which have not been deposited on account of dispute. However in the case of custom duty the company has already deposited the amount of custom duty as directed by custom, excise and service tax appellate tribunal New Delhi for the case pending with the tribunal against the order of the Commissioner of Customs. Income tax liability for the assessment year 2008-2009 to 2010-11 has not been considered as debt as the matter is pending with Commissioner of Income Tax Appeals.
15. The Company has accumulated losses of Rs. 23,68,64,120/- at the end of the financial year and has incurred cash losses of Rs. 73,58,934/- during the financial year covered by our audit and the immediately preceding financial year.
16. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
17. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
18. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. In our opinion and based on the information and explanations received, the company has not given any guarantee for loans taken by others from banks or financial institutions.

21. In our opinion and according to the information and explanations given to us, there is no Term Loans is pending to paid off during the year.
22. According to the information and explanations given to us and on an overall examination of the balance sheet of the company and on the basis of review of utilization of funds, we report that the no funds raised on short term basis have been used for long-term investment and vice-versa.
23. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
24. According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures/and created any security in respect thereof.
25. The company has not raised any money through public issue during the year.
26. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Sanjay Kailash & Associates**  
Chartered Accountants

**(Sanjay Mehra)**  
Proprietor  
Membership No.91866

Place: New Delhi  
Date: 01/06/2013

## JAGSON AIRLINES LIMITED

### Balance Sheet as at 31st March, 2013

Particulars	Note No	As At 31-03-2013	As At 31-03-2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	1	201689800	201689800
Reserves and Surplus	2	140598924	125605210
Money Received against share warrant		-	-
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
Long-term borrowings	3	-	9,026,596
Deffered Tax Liability	4	12185279	13508652
Other Long term liabilities		-	-
Long term provisions		-	-
<b>(4) Current Liabilities</b>			
Short Term Borrowings		-	-
Trade payables	5	14704493	18130966
Other current liabilities	6	999827	2439415
Short-term provisions	7	1207946	1170931
<b>Total</b>		<b>90188421</b>	<b>120361150</b>

### **II.Assets**

#### **(1) Non-current assets**

Fixed assets			
(i) Tangible assets	8	60520670	65817947
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Non Current Investment		-	-
Deffered Tax Asset		-	-
Long Term Investment	9	-	26,800,000
Other Non Current Assets	10	-	-

#### **(2) Current assets**

Current Investment		-	-
Inventories	11	-	-
Trade receivables	12	18767742	18663225
Cash and cash equivalents	13	4693755	5065816
Short-term loans and advances	14	6206253	4014162
Other Current Assets		-	-
<b>Total</b>		<b>90188421</b>	<b>120361150</b>

In terms of our report attached  
For Sanjay kailash & Associates  
Chartered Accountants

For and on the behalf of the Board of Directors

Sanjay Mehra  
[Partner]  
Membership No, 91866

Chairman  
(Jagdish Pershad Gupta)

Director  
(Ravinder Hora)

Company Secretary  
Mr. Bidu Bhusan Dash

## JAGSON AIRLINES LIMITED

### Statement of Profit And Loss for the year ended on 31-03-2013

Particulars	Note No	As At 31-03-2013	As At 31-03-2012
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	15	-	-
Other Income	16	3,575,664	179,872,409
<b>Total Revenue</b>		<b>3,575,664</b>	<b>179,872,409</b>
<b>Expenses:</b>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Operating Cost	17	1,367,344	6,588,382
Employee benefit expense	18	6,213,614	14,257,631
Financial costs	19	107,871	6,753,752
Depreciation and amortization expense	8	6,311,407	19,374,114
Other expenses	20	5,892,516	110,216,283
<b>Total Expenses</b>		<b>19,892,751</b>	<b>157,190,161</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>-16,317,087</b>	<b>22,682,248</b>
Exceptional Items		1,323,373	-
<b>Profit before extraordinary items and tax</b>		<b>-14,993,714</b>	<b>22,682,248</b>
Extraordinary Items		-	3,310,310
<b>Profit before tax</b>		<b>-14,993,714</b>	<b>19,371,938</b>
<b>Profit(Loss) from the period from continuing operations</b>		<b>-14,993,714</b>	<b>19,371,938</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deffered Tax		-	-
<b>Profit/(Loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Tax expense of discounting operations</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) from Discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>-14,993,714</b>	<b>19,371,938</b>
<b>Earning per equity share:</b>			
Basic		-0.74	0.51
Diluted		-0.74	0.51
<b>In terms of our report attached</b>		<b>For and on the behalf of the Board of Directors</b>	
<b>For Sanjay kailash &amp; Associates</b>		<b>Chairman</b>	<b>Director</b>
<b>Chartered Accountants</b>		<b>(Jagdish Prasad Gupta)</b>	<b>(Ravinder Hora)</b>
<b>Sanjay Mehra</b>			
<b>[Partner]</b>			
<b>Membership No. 91866</b>			
<b>Place: New Delhi</b>		<b>Mr. Bidu Bhusan Dash</b>	
<b>Date: 01-06-2013</b>		<b>Company Secretary</b>	



# JAGSON AIRLINES LIMITED

## Notes Forming Part of the Financial Statement

(Amount in Rs.)

NOTE- 1	As at 31-03-13	As at 31-03-12
<b>Share Capital</b>		
<b>Authorised Capital</b>		
5,00,00,000 Equity Share (Previous year 5,00,00,000) of Rs. 10 Each	500,000,000	500,000,000
<b>Issued Subscribed &amp; Paid up Capital</b>		
2,01,68,980 (Previous year 20168980) equity shares of Rs 10 each fully paid		
Opening Balance	201,689,800	201,689,800
Add:- Share issued	-	-
	201,689,800	201,689,800
<b>TOTAL</b>	<b>201,689,800</b>	<b>201,689,800</b>

**Note-1A.**

Particulars	Equity Shares	
	Numbers	Amount
Shares Outstanding at the beginning of the year	20,168,980	201,689,800
Share issued during the year	-	-
share bought back during the year	-	-
Shares Outstanding at the end of the year	20,168,980	201,689,800

**Note-1B**

Name of Shareholder	31/3/2013		31/3/2012	
	No. of shares held	% of shares held	No. of shares held	% of shares held
Jagson International Limited	13,986,866	69	13,986,866	69

NOTE- 2	As at 31-03-13	As at 31-03-12
<b>Reserves And Surpluse</b>		
<b>Surpluse</b>		
<b>Share Primum Account</b>		
Opening Balance	96,265,196	96,265,196
Add:- Share premium during the year	-	-
	96,265,196	96,265,196
<b>TOTAL</b>	<b>96,265,196</b>	<b>96,265,196</b>
<b>Reserves</b>		
Opening Loss	-221,870,406	-316,345,684
Add:- Adjusted with Deferred Tax	-	75,103,340
Add:- Profit during the year	-14,993,714	19,371,938
Closing Balance	-236,864,120	-221,870,406
	-236,864,120	-221,870,406
<b>TOTAL</b>	<b>-236,864,120</b>	<b>-221,870,406</b>
<b>TOTAL</b>	<b>-140,598,924</b>	<b>-125,605,210</b>

NOTE- 3	As at 31-03-13	As at 31-03-12
<b>Long Term Borrowings</b>		
Term Loan From SBI Bank	-	-
Loan from Group companies	-	9,026,596
	-	9,026,596
<b>TOTAL</b>	<b>-</b>	<b>9,026,596</b>

## JAGSON AIRLINES LIMITED

NOTE- 4	As at 31-03-13	As at 31-03-12
<b><u>Deferred Tax Liability</u></b>		
Opening Balance	13,508,652	88,611,992
Less:- Adjusted with previous year losses		75,103,340
Less :- Asset created during the year (Exceptional item)	1,323,373	-
Closing Balance	12,185,279	13,508,652
<b>TOTAL</b>	<b>12,185,279</b>	<b>13,508,652</b>

NOTE- 5	As at 31-03-13	As at 31-03-12
<b><u>Trade Payables</u></b>		
Trade Payables	14,704,493	18,130,966
<b>TOTAL</b>	<b>14,704,493</b>	<b>18,130,966</b>

5.1 The details of amount outstanding with the creditors are based on the available information with the company

NOTE- 6	As at 31-03-13	As at 31-03-12
<b><u>Other Current Liabilities</u></b>		
Statutory Payable	151,805	855,742
Inter Group Company Deposits	-19,305	179,029
Other Payable *	867,327	1,404,644
<b>TOTAL</b>	<b>999,827</b>	<b>2,439,415</b>

6.1 \* other Payable includes the Advance from customers and expenses payables

NOTE- 7	As at 31-03-13	As at 31-03-12
<b><u>Short Term Provisions</u></b>		
Provision for Gratuity	1,207,946	1,170,931
<b>TOTAL</b>	<b>1,207,946</b>	<b>1,170,931</b>

JAGSON AIRLINES LIMITED

Computation of Depreciation As Per Companies Act, 1956

Note :- 8

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2012	Additions During the year	Transfer/ Adjustment During the year	As on 31.03.2013	As at 31.03.2012	For the period	ADJ.	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Plant & Machinery	27,083,888	-	-	27,083,888	15,847,159	1,286,685	-	17,133,643	9,950,245	11,236,729
Aircraft	73,750,030	1,146,113	-	74,896,143	37,351,666	4,194,184	-	41,545,850	33,350,293	36,398,364
Helicopter	-	-	-	-	-	-	-	-	-	-
Furniture & Fixture	5,532,464	-	-	5,532,464	2,347,410	350,205	-	2,697,615	2,834,849	3,185,064
Vehicle	3,111,542	-	466,277	2,645,265	2,295,152	251,300	332,222	2,214,230	431,035	816,390
Office Equipment	4,505,479	2,072	-	4,507,551	1,660,422	199,685	-	1,860,106	2,647,445	2,845,057
Office Bldg. - Shimla	1,812,789	-	-	1,812,789	476,437	29,548	-	505,985	1,306,804	1,336,352
Goodwill	10,000,000	-	-	10,000,000	-	-	-	-	10,000,000	10,000,000
<b>Grand Total (Rs.)</b>	<b>125,796,192</b>	<b>1,148,185</b>	<b>466,277</b>	<b>126,478,100</b>	<b>59,978,245</b>	<b>6,311,407</b>	<b>332,222</b>	<b>65,957,430</b>	<b>60,520,670</b>	<b>65,817,947</b>
Previous Year	526,361,448	24,700	400,590,357	125,796,192	155,406,802	19,374,114	114,802,671	59,978,245	65,817,947	

## JAGSON AIRLINES LIMITED

NOTE- 9	As at 31-03-13	As at 31-03-12
<b>Investments</b>		
Canera Robeco Mutual Fund	-	26,800,000
<b>TOTAL</b>	<b>-</b>	<b>26,800,000</b>
<b>NOTE- 10</b>		
<b>Other Non Current Assets</b>		
<b>Pre-Operative Expenses</b>		
Opening Balance	-	35,031,873
Less:- written off During the year	-	35,031,873
Closing Balance	-	-
<b>Deferred Revenue Expenses</b>		
Opening Balance	-	416,022
Less:- written off During the year	-	416,022
Closing Balance	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>NOTE- 11</b>		
<b>Inventories</b>		
Stores and Spares (Rig Spares)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>NOTE- 12</b>		
<b>Trade Receivables</b>		
Trade Receivables unsecured, considered good	18,767,742	18,663,225
<b>TOTAL</b>	<b>18,767,742</b>	<b>18,663,225</b>
<b>NOTE- 13</b>		
<b>Cash and Cash Equivalents</b>		
Cash in hand	4,501,925	4,414,425
Balances with Banks		
Current Accounts	22,756	108,087
Deposit Accounts	169,074	543,304
Interest Accrue on FDR & ICD	-	-
<b>TOTAL</b>	<b>4,693,755</b>	<b>5,065,816</b>
13.1 Balance with banks are reconciled as per the account statements provided by the different banks		
13.2.Fixed deposits with bank includes deposits with maturity for more than 12 months		
<b>NOTE- 14</b>		
<b>Short-Term Loans and Advances</b>		
loans and advances considered good	144,453	101,341
security Deposit, unsecure, considered good	52,600	28,600
Advances to Employees	846,577	541,982
TDS Recoverable	3,056,131	3,041,401
Other advances	416,319	300,838
Advances to Group companies	1,690,173	-
<b>TOTAL</b>	<b>6,206,253</b>	<b>4,014,162</b>
<b>NOTE- 15</b>		
<b>Revenue from Operations</b>		
Passenger & Charter Revenue	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## JAGSON AIRLINES LIMITED

NOTE- 16	As at 31-03-13	As at 31-03-12
<b>Other Income</b>		
Interest on Fixed Deposit	1,329,386	82,764
Income tax refund	-	304,307
Interest on Mutual Funds	-	-
Pilot/Crew Training Fee	-	-
Miscellaneous Income	2,187,367	14,126
Foreign Ex. Fluctuation	-	-
Capital Gain	-	64,664,204
Loaning Charges Recd.	-	-
Prifit on sale of Assets	-	114,802,671
Dividend Recd	2,655	4,337
Net Amt Written Back	56,256	-
<b>TOTAL</b>	<b>3,575,664</b>	<b>179,872,409</b>
<b>NOTE- 17</b>		
	As at 31-03-13	As at 31-03-12
<b>Operating Cost</b>		
Aviation Fuel and Oil	-	111,430
Aircraft & Engineering Maintenance	539,588	2,789,029
In-flight Expenses	-	-
Airport rent, Landing, Parking, Servicing and other airport exp.	827,756	3,687,923
<b>TOTAL</b>	<b>1,367,344</b>	<b>6,588,382</b>
<b>NOTE- 18</b>		
	As at 31-03-13	As at 31-03-12
<b>Employee Benefit Expenses</b>		
Salaries	5,779,683	13,662,255
Allowances & Reimbursement	110,050	158,485
Provident Fund & ESI	141,741	436,891
Gratuity	182,140	-
Ex-Gratia & Leave Encashment	-	-
<b>TOTAL</b>	<b>6,213,614</b>	<b>14,257,631</b>
<b>NOTE- 19</b>		
	As at 31-03-13	As at 31-03-12
<b>Finance Cost</b>		
Interest A/C Term Loan MI 172	-	4,790,813
Interest on Loan	27,245	1,494,877
Bank Charges	80,626	468,062
<b>TOTAL</b>	<b>107,871</b>	<b>6,753,752</b>

## JAGSON AIRLINES LIMITED

NOTE- 20

As at 31-03-13

As at 31-03-12

**Other Expenses**

Net Amount Written off	-	15,524,599
Conveyance Expenses	118,219	449,599
Traveling Expenses & Hotel Expenses	56,539	1,918,699
Legal & Professional Exp. including Consultancy fee	2,639,994	2,237,756
Postage & Telegram	3,406	159,557
Rent	168,000	825,934
Advertisement	174,065	161,660
Printing & Stationery	212,504	368,052
Staff Welfare	70,635	261,505
Telephone Expenses	74,134	467,811
Electricity & Water Charges	180,756	264,404
Auditors Remuneration	60,000	60,000
Entertainment & Business Promotion	-	176,199
Loss on sale of Assets	44,055	-
Miscellaneous Expenses	839,050	865,887
Traning Expenses	-	15,000
Subscription & Membership	77,024	315,398
Listing fees & Share transfer expenses	97,600	116,000
Vehicle Running Expenses	3,876	156,494
Office Maintenance	187,783	31,813,266
Insurance Expenses	28,680	1,491,337
Penalty & Interest	856,196	-
Pre-operative Expenditures Written off	-	35,447,894
Bad Debts	-	15,460,646
Security Forfited	-	1,658,586
<b>TOTAL</b>	<b>5,892,516</b>	<b>110,216,283</b>

**SIGNIFICANT ACCOUNTING POLICIES**

- 1. Basis of preparation of Financial statements**

The financial statements are prepared under the historical cost conversion, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provision of the Companies Act 1956.
- 2. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized
- 3. Own Fixed Assets (Tangible)**

Fixed Assets are stated at cost and includes amount added on revaluation, depreciation of Fixed Assets is recognized in Accumulated Depreciation Account. All cost, includes financing cost till commencement of commercial production. Adjustment arise due to foreign currency exchange rate variations attributable to the Fixed Assets are capitalized.
- 4. Own Fixed Assets (Capital Work in progress)**

Capital work in progress is valued at cost incurred on the work processed till date and includes all the addition made during the current year of process.
- 5. Depreciation and Amortization**

Depreciation on fixed Assets is determined on the straight line method at the rate and the manner prescribed under XIV to the companies Act. 1956.
- 6. Foreign currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.  
Any Income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account.
- 7. Investment**

The Company does not have any kind of Investments at the end of the financial year as all the Investments have been sold out.
- 8. Inventories**

The Company does not have any kind of Inventory during the current year.
- 9. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend Income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- 10. Benefits to Employees**

Short-Term benefits to employees are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.  
Post employment and other long-term benefits to employees are recognized as expenses in the profit and loss account for the year in which the related service is rendered.  
Contribution to provident fund is accounted on accrual basis. Provision for gratuity has been provided for on an arithmetical basis for eligible as per payment of Gratuity Act, 1972 and Leave encashment is accounted on the basis of actuarial valuation techniques. Actuarial gain and loss in respect of post employment and other long-term benefits are charged to Profit & Los Accounts.
- 12. Borrowing Cost**

The Company did not borrow any amount during the financial year.
- 13. Provision For Deferred Tax**

Deferred tax asset has been provided on the basis of tax computation for the year. Depreciation is the only a component of deferred tax assets and liabilities arising on account of timing difference.
- 14. Goodwill**

Goodwill represents the difference between the consideration for the business and the fair value of the net assets.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2012-2013**

A. Contingent liabilities not provided for is as under:-

	<b>31-3-2013</b>	<b>Rs. In Lacs 31-3-2012</b>
Outstanding Bank Guaranties	NIL	NIL

B. Contingent liability towards custom duty is yet to be ascertained by custom and excise appellate tribunal. The demand raised by the tribunal has been duly deposited by the company hence no amount has been considered as contingent liability for the year ending on 2006.

C. Contingent liability towards income tax for the assessment years 2008-2009 to 2010-2011 has not been considered as debt as the matter is pending with commissioner of income tax appeals. The disclosed claimed against the company not acknowledged as debts after careful evaluation of the fact and legal aspects of the matter involved. Such matters are in favor of the company.

D. No payment has been made to a director of the company during the year as remuneration including perquisites. (previous year – NIL).

E. Balance of sundry debtors, sundry creditors, loans & advances payable or receivable are subject to confirmation from some of the parties

F. The company does not own any sum exceeding Rs. 1,00,000/- to small scale undertaking which is outstanding for more than 30 days

G. Auditors remuneration

	<b>31-03-2013</b>	<b>31-3-2012</b>
Audit Fee	45000.00	45000.00
Tax Audit Fee	15000.00	15000.00
	-----	-----
<b>Total</b>	<b>60,000.00</b>	<b>60,000.00</b>
	-----	-----

**1. Related Parties Disclosure:-**

During the year there was some transitions with m/s Jagson International Limited, Pradeep Oil Corporation and Jindal service station, shri J P Gupta is key managerial person in all these entities.

2. Previous year figures have been regrouped / rearranged wherever necessary.

**Signature of Schedules & Notes  
For :- Sanjay Kailash & Associates  
Chartered Accountants**

(Sanjay Mehra)  
Proprietor  
Membership No.91866

**For JAGSON AIRLINES LIMITED**

**DIRECTOR  
JAGDISH PERSHAD GUPTA**

**DIRECTOR  
RAVINDER HORA**



**CASH FLOW STATEMENT FOR THE PERIOD ENDED AS ON MARCH 31st 2013**

**PARTICULARS:**

	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before tax & Extraordinary items	(16317087)	22682248
Depreciation Written back	(332222)	(114802671)
Net Adjustment for Depreciation	6311407	19374114
Miscellaneous Expenses written off	0	35031873
<b>Operating Profit before Working Capital Changes</b>	<b>(10337903)</b>	<b>(37714436)</b>
<b>Adjustment for :</b>		
Inventories	0	7514957
Trade & Other Receivables	(2296609)	59669839
Trade & Other Payables	(4866061)	(8461694)
Deferred Revenue expenses	0	416022
Provisions	37015	55600
<b>Cash Generated for operations</b>	<b>(17463557)</b>	<b>21480288</b>
<b>Cash flow before Extraordinary items</b>		
Extraordinary items	0	(3310310)
<b>Net Cash Generated from Operating Activities</b>	<b>(17463557)</b>	<b>18169978</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Net Purchase of Fixed Assets	(1148185)	(24700)
Sale of Fixed Assets	466277	400590357
Sale of Investment	26800000	0
Purchase of Investment	0	(26800000)
Borrowings	(9026596)	(395002804)
<b>Cash Flow from Investing Activities</b>	<b>17091496</b>	<b>(21237147)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/ (Decrease) in Share Capital	0	0
Dividend Paid	0	0
<b>Net Cash Generated in Financing Activities</b>	<b>0</b>	<b>0</b>
Net increase/ (Decrease) in Cash and Cash Equivalent ( A+B+C)	<b>(372061)</b>	<b>(3067169)</b>
Cash and Cash Equivalent as at the beginning of the year	5065816	8132985
Cash and Cash Equivalent as at the close of the year	4693755	5065816
	<b>(372061)</b>	<b>(3067169)</b>

As per our report of even date attached

**For Sanjay Kailash & Associates**  
**Chartered Accountants**

**(Sanjay Mehra)**  
**Proprieter**  
**Membership No. 91866**

**Jagdish P. Gupta**  
**Chairman**

**Ravinder Hora**  
**Director**

Place : New Delhi  
Dated :

**Bidu Bhusan Dash**  
Company Secretary

**BALANCE SHEET ABSTRACT & COMPANY  
GENERAL BUSINESS PROFILE AS AT 31.03.2013**

	PART IV	Amt. in 000
I. Registration Details	Registration No : 19011	State Code : 06
	Balance Sheet Date: Day 31 <sup>st</sup> Month : 03 Year : 2013	
II. Capital raised during the year (Amount in Thousands)	Public Issue : Nil	Right Issue : Nil
	Bonus issue : Nil	Private Placement: Nil
III. Position of Mobilisation and Deployment of Funds (Amount in Thousands) Sources of Funds	Total Liabilities: 90188	Total Assets : 90188
	Paid-up Capital: 201690	Reserves&Surplus: (125605)
	Secured Loans: Nil	Unsecured Loans: 9027
Application of Funds	Net Fixed Assets: 60521	Investments : Nil
	Net Current Assets: (1276)	Misc. Expenditure: Nil
	Accumulated losses: (23686)	
Performance of Company (Rs. in Thousands)	Turnover : 357566	Total Expenditure: 198928
	Profits before Tax: (14994)	Profit after tax : (14994)
	Earning per share (Rs.): (0.74)	Dividend Rate %: Nil
IV. Generic Name of Three Products/Services of the Company (As per monetary terms)	* After previous year adjustment	
	Item Code No. : 880230 (ITC Code)  Product Description : Airline operation by Aeroplanes & Other Aircraft of unloaded weight exceeding 2000 kg but less than 15000 kgs.	

As per our report of even date attached

For Sanjay Kailash & Associates  
Chartered Accountant

Sd/-  
**Sanjay Mehra**  
[Partner]

Sd/-  
**Jagdish P. Gupta**  
Chairman

Sd/-  
**Ravinder Hora**  
Director

Place : New Delhi  
Date : 01-06-2013

Sd/-  
**Mr. Bidu Bhusan Dash**  
Company Secretary

**JAGSON AIRLINES LIMITED**

Registered Office : 18B, SDA Complex, Kasumpti  
Shimla, Himachal Pradesh

**ATTENDANCE SLIP**

Member are requested to bring their copy of the Annual Report. Please fill Attendance Slip and hand it over at the Entrance of the Meeting Hall. Only Members of their Proxies\* are entitled to be present at the Meeting.

Name & Address of the Shareholders(BLOCK LETTERS)	Folio No.
	No. of Shares Held

I hereby record my presence at the Twentieth Annual General Meeting of the Company held at Panchayat Ghar, P.O. Durgapur, Distt. Shimla, Himachal Pradesh at 10.00 AM on Saturday, 28<sup>th</sup> September, 2013.

SIGNATURE OF THE SHAREHOLDERS/PROXY\*

(\*Strike out which is not applicable)

**JAGSON AIRLINES LIMITED**

(Regd office: 18 B, S.D.A. Complex, Kasumpti, Shimla, Himachal Pradesh-171009)

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of the above-named Company hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my

/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, the 29<sup>th</sup> day of September, 2012 at Panchayat Ghar, P.O. Durgapur, Distt. Shimla, Himachal Pradesh at 10.00 a.m. and at any adjournment thereof.

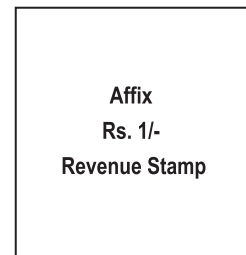
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Registered Folio No. (In case of shares held in physical form) \_\_\_\_\_

DP Id No. \_\_\_\_\_ Client Id No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Signature \_\_\_\_\_



**Note:**




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. Proxies, in order to be effective, must be received at the Register office of the Company not less than 48 hours before the time of holding of Annual General Meeting.

**Postage Prepaid in Cash  
BOOK POST**

If undelivered please return to:  
**JAGSON AIRLINES LIMITED**  
18B, S.D.A. Complex,  
Kasumpti, Shimla,  
Himachal Pradesh-171 009

FORM A

Format of covering letter of the annual audit report to be filed with stock exchange

1	Name of the Company	JAGSON AIRLINES LIMITED
2	Annual Financial Statement	31 <sup>ST</sup> March 2013
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	Un-qualified
5	To be Signed by-	
	<ul style="list-style-type: none"> <li>• CEO/Managing Director/Chairman</li> <li>• CFO/ Company Secretary</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	<p style="text-align: right;">- J. S. G. S.</p> <p style="text-align: right;">                       (Gopinath Bhatia - CS)                 </p> <p style="text-align: right;">                       Chartered Accountant                      Firm Name                 </p> <p style="text-align: right;">                       (Bhanu Kant)                 </p>