



**Fifteenth Annual Report  
2007-2008**



**JAGSON AIRLINES LIMITED**

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**JAGSON AIRLINES LIMITED**  
Fifteenth Annual Report 2007-2008

<b>BOARD OF DIRECTORS</b>	Mr. Jagdish P. Gupta Ms. Ravinder Hora Mr. Bhuvi Kant Mr. Sardar Singh Mudgal Mr. Vinod Vaish Mr. Probir Chandra Sen Mr. Ramesh Chandra Jain	Chairman and Managing Director Director Director Director Director Director
<b>COMPANY SECRETARY</b>	Mr. Ram Pravesh	
<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, Centurion Bank of Punjab Ltd., Andhra Bank, Bank of Baroda, Central Bank of India, Corporation Bank, State Bank of India, Syndicate Bank, J&K Bank. ICICI Bank	
<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 DELHI STOCK EXCHANGE ASSOCIATION LTD.</b>	DSE House 3/1, Asaf Ali Road New Delhi-110 002	

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**NOTICE**

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

**ORDINARY BUSINESS**

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

**SPECIAL BUSINESS**

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

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

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

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

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

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

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

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

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

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

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

Jagdish P. Gupta  
Chairman cum Managing Director

Place : New Delhi  
Date : 28.08.2008

**NOTES:**

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

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

**ITEM NO. 5**

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

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

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

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

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

**ITEM NO. 6**

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

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

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

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

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

**ITEM NO. 7**

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

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

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

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

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

**ITEM NO. 8**

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

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

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

The Board recommends the resolution for approval of members.

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

**DIRECTORS' REPORT**

To,  
The Members,

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

**FINANCIAL RESULTS**

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

**OPERATIONS**

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

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

**DIVIDEND**

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

**PUBLIC DEPOSITS**

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

**DIRECTORS**

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

Your Board of Directors recommends their appointments for your approval.

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

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

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

**AUDITORS**

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

**AUDIT COMMITTEE**

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

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

**SHARE TRANSFER COMMITTEE**

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

**INVESTORS GRIEVANCES COMMITTEE**

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

**LISTING REQUIREMENT**

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

**LISTING OF SHARES**

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

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

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

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

**CORPORATE GOVERNANCE**

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

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

**CONSERVATION OF ENERGY**

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

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

**EMPLOYEES**

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

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

**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 31<sup>st</sup> March, 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors had prepared the accounts for the year ended 31<sup>st</sup> March, 2008 on a 'going concern' basis.

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board  
For JAGSON AIRLINES LIMITED

Sd/-

Jagdish P.Gupta  
Chairman

Place : New Delhi

Date :28.08.2008



**CORPORATE GOVERNANCE DISCLOSURE**

**1. Company's Philosophy on Corporate Governance**

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

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

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

**2. Board of Directors**

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

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

Composition of Board of Directors as on 31<sup>st</sup> March 2008 is as follows:

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

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

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

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

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

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

### **3. Audit Committee**

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Independent non-Executive Directors namely Mr. Bhuvi Kant, Ms. Ravinder Hora and Mr. Sardar Singh Mudgal. 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 on 27<sup>th</sup> April 2007, 23<sup>rd</sup> July 2007, 10<sup>th</sup> August 2007, 31<sup>st</sup> October 2007 and 30<sup>th</sup> January 2008 and 31<sup>st</sup> March 2008.

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 Ms. Ravinder Hora, Mr. Bhuvi Kant and Sardar Singh Mudgal, Director of the Company. Ms. Ravinder Hora is the Chairman of the remuneration committee.

As per terms of appointment no remuneration is payable to Shri J P 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. 250/- (Rs. Two Hundred Fifty 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, 24 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 Mudgal, Director. Mr. Ram Parvesh, 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. The Committee also approves Transfer of Shares etc on regular intervals of 15-20 days. During the period, 24 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.

**7. General Body Meetings**

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

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2002-03	Panchayat Ghar, P O Durgapur Distt. Shimla, HP	29.09.2003	10:30 A.M.
2003-04	Same as above	29.09.2004	10.30 A.M.
2004-05	Same as above	29.09.2005	10.30 A.M.
2005-06	same as above	04.02.2006	10.00 A.M.
2005-06	same as above	16.09.2006	10.30 A.M.
2006-07	same as above	26.05.2007	10.00 A.M.
2006-07	same as above	29.09.2007	11.00 A.M.

**Note:**

No Postal Ballots were used / invited for voting at these meetings.

**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**

- a) The Company had published its quarterly results in English - Financial Express & in Hindi - Himachal Times - Shimla and promptly furnished to the Stock Exchanges for display on their respective websites. Financial results and Shareholding Pattern are also posted on the Electronic Data Information Filing and Retrieval (EDIFAR) website namely: [www.sebidifar.nic.in](http://www.sebidifar.nic.in) The website is also accessible through a hyperlink 'EDIFAR' from SEBI's official website: [www.sebi.gov.in](http://www.sebi.gov.in).
- b) 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 : 27<sup>th</sup> September 2008 at 11.00 A.M.  
 Venue : Panchyat Ghar, P O Durgapur, Distt. Shimla, HP

**10.2 Financial Calendar 2008-09** : Annual General Meeting (Next year) in the month of  
 (Tentative) September, 2009

**Quarterly Results**

Results for the quarter ending 30<sup>th</sup> June 2008 — Last week of July'2008  
 Results for the quarter ending 30<sup>th</sup> September 2008 — Last week of Oct'2008  
 Results for the quarter ending 31<sup>st</sup> December 2008 — Last week of Jan'2009  
 Results for the year ending 31<sup>st</sup> March 2009 — Last week of April'2009

**10.3 Book Closure date** : 25<sup>th</sup> September to 26<sup>th</sup> Sept 2008 (Both days Inclusive)

**10.4 Dividend** : No dividend has been declared for the Financial Year 2007-08;

**10.5 (a) Listing on Stock Exchanges & Stock Code**

Stock Exchange	Code
Delhi Stock Exchange Association Limited. DSE House, 3/1, Asaf Ali Road, New Delhi-110002	110096
Bombay Stock Exchange Limited. P J Towers, Dalal Street, Fort, Mumbai-400 001	520139

Note: Shares are proposed to be de-listed from the Stock Exchanges other than The Stock Exchange Mumbai.

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

Note: Annual Listing fees for the year 2007-08 have been duly paid to the above Stock Exchanges

**10.6 (i) Distribution of shareholding as on 31<sup>st</sup> March, 2008**

Shareholding of Value of Rs.	Shareholders		Shareholdings		
	No.	% to Total	Shares	Amount	% to Total
Upto 5,000	13950	91.87	2618992	26189920.00	12.99
5,001 To 10,000	762	5.02	630437	6304370.00	3.13
10,001 To 20,000	244	1.61	372475	3724750.00	1.85
20,001 To 30,000	59	0.39	158064	1580640.00	0.78
30,001 To 40,000	38	.025	137398	1373980.00	0.68
40,001 To 50,000	38	0.25	183485	1834850.00	0.91
50,001 and above	44	0.29	322146	3221460.00	1.60
Above 1,00,000	50	0.33	15745983	157459830.00	78.07
<b>Total</b>	<b>15185</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 2008**

Category	%age
<b>(A) Promoter's Category:</b>	
1. Individual/ HUF	02.18 %
2. Body Corporate	68.90 %
<b>(B) Non-Promoter's Category:</b>	
1. Indian Public	23.02 %
2. International Investors	02.08 %
3. Bodies Corporate	03.82 %

**10.7 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 2007-08 is given below:

Month	High (Rs.)	Low (Rs.)
April 2007	17.50	15.75
May 2007	20.30	16.90
June 2007	21.80	18.20
July 2007	20.40	18.25
August 2007	19.50	17.85
September 2007	25.80	18.70
October 2007	22.50	18.80
November 2007	26.60	18.60
December 2007	44.90	24.90
January 2008	49.45	27.05
February 2008	30.50	26.55
March 2008	17.35	26.25

**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** : 90.53 % of the Shares issued by the Company have been dematerialised upto 31<sup>st</sup> March 2008.

**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, 2008

**Sd/-**  
**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 globalisation, 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 effecting 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 rated 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 unlivable 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 and one Chetak Helicopter at its disposal. Company also has at its disposal 2 Nos. MI-172 Helicopters 26 Seators. At present Shimla, Kullu routes are available. The Company is also assigned some special duties by the State and Central Governments which helps the revenue of the Company. The company has received the Regional Scheduled Air Transport Services permit on 30th June, 2008 and is now planning to operate as Schedule Airlines shortly. The company also planning to go for such airlines routes as may be available and beneficial for the company.

**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.

However, Jagson Airlines Limited (on the basis of services to customers and a Private Sector Airlines under open scheme) is running its operation while various other small Air Taxi Operators had been perished in last few years.

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 of to ensure safety of its property assets, and protection against unauthorised use and loss from pilfration 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.

**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 : 28th August, 2008

Sd/-  
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 2007-08 has been received from all the Board members and senior management personnel.

For JAGSON AIRLINES LIMITED

Place : New Delhi  
Date : 28.08.2008

Sd/-  
**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 31st March, 2008 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 stat 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.

**For Sanjay Kailash & Associates**  
Chartered Accountants

Place : New Delhi  
Date : 27.06.2008

**Sd/-**  
**(Sanjay Mehra)**  
**Prop**  
Membership No. 91866



**AUDITORS' REPORT**

To

**The Members of Jagson Airlines Limited**

1. We have audited the attached Balance Sheet of Jagson Airlines Limited., as at 31st March, 2008, the Profit and Loss account and also the Cash Flow Statement of 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.
2. We conducted our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to 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 purposes 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, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) in our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement 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) on the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi) (a) During this year Interest paid on term loan taken for purchase of Helicopters have been capitalized into the cost of the Helicopters instead of being treated as revenue expenses as stated in note 5.  
(b) We further report that had the observation made by us in paragraph vi(a) above been considered the loss for the year would have been higher by Rs 218.5 Lakhs.
  - vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008.
    - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Sanjay Kailash & Associates  
Chartered Accountants

Sd/-  
(Sanjay Mehra)

Prop.

Membership No. 91866

Place : New Delhi

Date : 27.06.08

**Annexure to Auditors' Report**

Referred to in paragraph 3 of our report of even date

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, a fixed asset (Chetak Helicopter-Vt Err ) of the company having opening written down value of Rs. 68.15 lac were disposed off for Rs. 62 lac.
- ii) a) The inventory consisting of Aircraft & Helicopter spare parts, flight equipments and other miscellaneous items has been physically verified during year by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
- iii) a) The Company has not granted any loans, secured or unsecured to Companies/firms or other parties as covered in the register maintained under Section 301 of the Companies Act 1956. Accordingly, Clause 4 (iii) (b) to (d) of the order are not applicable.

- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (f) to (g) of the order are not applicable.
- iv) 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 inventory, fixed assets and with regard to the sale of tickets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public in terms of the provisions of section 58A and Section 58AA of the companies act, 1956 and the rules frames thereunder. No order has been passed by the Company Law Board.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records by the company in terms of section 209(1) (d) of the Companies Act, 1956 .
- ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. And there is no arrears at the year end.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us there are no disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which are required to be deposited with the appropriate authorities.
- x) The company has an accumulated loss of Rs.2450 Lacs as at 31st march 2008 and it has incurred a cash loss of Rs.29.29 Lacs in the financial year ended on that date.
- xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to bank(s). The company has not borrowed any funds from financial institution and by issue of debentures.
- xii) The company has not granted any loans and advances on the basis of security by the way of pledge of shares, debentures and other securities and hence we have no comments to offer in respect of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003.
- xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clauses 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xiv) 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.
- xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Auditor's Report) Order, 2003.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment(s). No long-term funds have been used to finance short-term assets.
- xviii) The company has made a preferential allotment of 9521780 shares ( Face Value Rs.10) at a premium of Rs 10.11 per share to parties and companies covered in the register maintained under section 301 of the Act, during the year.
- xix) The Company has not issued any debentures during the year nor there is any outstanding as on 31st March, 2008 and hence we have no comments to offer in respect of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003.
- xx) The company has not raised money by public issues in the recent past and hence we have no comments to offer in respect of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003.
- xxi) According to the information and explanation 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  
Sd/-

(Sanjay Mehra)  
Prop.

Membership No. 91866

Place : New Delhi  
Date : 27.06.2008

**SOURCE OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2008**

<u>SOURCE OF FUNDS:</u>	<u>SCHEDULE</u>	<u>As at 31.03.2008 (Rs.)</u>	<u>As at 31.03.2007 (Rs.)</u>
<b>Shareholder's Funds:</b>			
Share Capital	1	201689800	106472000
Reserves and Surplus	2	109575393	13310197
<b>Loan Funds:</b>			
Secured Loan	3	165989207	199211919
Unsecured Loan		NIL	NIL
		<u>477254400</u>	<u>318994116</u>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets</b>			
Gross Block	4	492338788	465751045
Less : Depreciation		71897337	48272783
Net Block		<u>420441451</u>	<u>417478262</u>
Investments	5	206450	18706450
<b>Current Assets, Loans and Advances:</b>			
— Interest accrued on deposits		7115693	6623202
— Inventories		8934720	9091651
— Sundry Debtors		58971087	43118225
— Cash and Bank Balances		6484979	10047553
— Loans and Advances		<u>14587674</u>	<u>21359052</u>
		69094153	90239683
Less :Current Liabilities and Provisions	7	<u>131502582</u>	<u>266695691</u>
Net Current Assets		(35408429)	(176456008)
Defferd Current Tax Assets/(Liabilities)		(74370122)	(47796920)
Miscellaneous Expenditure	8	49458768	51894275
(To the extent not written off or adjusted)			
Profit & Loss A/C	9	116926282	55168057
<b>NOTES TO ACCOUNTS</b>			
<b>TOTAL ( in Rs.)</b>	<b>16</b>	<u><u>477254400</u></u>	<u><u>318994116</u></u>

As per our report of even  
date attached

for Sanjay Kailash & Associates

Chartered Accountants

Sd/-  
(Sanjay Mehra)

Proprieter

Membership No. 91866

Sd/-  
Jagdish P. Gupta  
Chairman

Sd/-  
Ravinder Hora  
Director

Place : New Delhi

Dated : 27.06.08

Sd/-  
Ram Pravesh  
Company Secretary

**JAGSON AIRLINES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008**

	SCHEDULE	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b>INCOME:</b>			
Operating Revenue	10	141827405	201009022
Other Income	11	8347639	9739141
<b>TOTAL (Rs.)</b>		<b>150175044</b>	<b>210748163</b>
<b>EXPENDITURE:</b>			
Operating Cost	12	75861283	121251728
Salaries & Other Benefits	13	33019029	35500678
Administrative and Other expenses	14	42127123	36663926
Financial Charges	15	2097225	2428517
Miscellaneous Expenses written off	—	6041447	5532018
<b>TOTAL (Rs.)</b>		<b>159146107</b>	<b>201376867</b>
Profit/ (Loss) before Depreciation taxation & other adjustments		(8971063)	9371296
Depreciation	4	25614382	22188030
Profit/ (Loss) before taxation & other adjustments		(34585445)	(12816734)
Add/(Less) Provision For Deferred Tax		(26573202)	(41695102)
Less :Provision for FBT		(599578)	(656221)
Profit/(Loss) after Taxation carried to Balance Sheet		<b>(61758225)</b>	<b>(55168057)</b>
<b>NOTES TO ACCOUNTS</b>	16		

As per our report of even  
date attached

for **Sanjay Kailash & Associates**  
Chartered Accountants  
Sd/-  
**(Sanjay Mehra)**  
Proprietor  
Membership No. 91866

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

Sd/-  
**Ravinder Hora**  
Director

Place : New Delhi  
Dated : 27.06.08

Sd/-  
**Ram Pravesh**  
Company Secretary

**SCHEDULE : 1**

AUTHORISED	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
1,50,00,000 (Previous year 1,50,00,000)		
Equity Shares of Rs.10/- each	500000000	500000000
<b>Issued, Subscribed and Paid-up</b>		
20168980 (Previous years, 1,06,47,200)		
Equity Shares of Rs.10/- each fully paid		106472000
Opening Balance	106472000	
Add : Share Issued	95217800	
	201689800	
<b>TOTAL ( in Rs.)</b>	<b>201689800</b>	<b>106472000</b>

**SCHEDULE : 2**

RESERVES AND SURPLUS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Surplus in Profit & Loss A/c		
Opening Balance	13310197	13310197
Add: Share Premium Amount	96265196	
Add / (Less) Profit/ during the year	0	0
	109575393	13310197
<b>TOTAL ( in Rs.)</b>	<b>109575393</b>	<b>13310197</b>

**SCHEDULE : 3**

SECURED LOAN:	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Loan From Banks	165989207	199211919
(Secured against Investments in Mutual Funds, FDRs & hypothecation of Helicopter & Vehicles)	165989207	199211919

**SCHEDULE : 4**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 31.3.2007	Additions During the Year	Transfer Adjust./ During the Year	As on 31.3.2008	As at 31.3.2007	For the period	ADJ.	As at 31.3.2008	As at 31.3.2008	As at 31.3.2007	
Plant & Machinery	19440330	5542077	—	24982407	9992761	909026	—	10901787	14080620	9447569	
Aircraft	71311807	2149445	—	73461252	16735147	4101281	—	20836428	52624824	54576660	
Helicopter	354651959	24823552	8804527	370670984	18826415	19896962	1989828	36733549	333937435	335825544	
Furniture & Fixture	2321372	2395061	—	4716433	786435	234263	—	1020698	3695735	1534937	
Vehicle	2900805	7200	—	2908005	866219	275719	—	1141938	1766067	2034586	
Office Equipment	3311983	484935	10000	3786918	737111	167583	—	904694	2882224	2574872	
Office Bldg. - Shimla	1812789	—	—	1812789	328695	29548	—	358243	1454546	1484094	
Goodwill	10000000	—	—	10000000	—	—	—	—	10000000	10000000	
<b>Grand Total (Rs.)</b>	<b>465751045</b>	<b>35402270</b>	<b>8814527</b>	<b>492338786</b>	<b>48272783</b>	<b>25614362</b>	<b>1989828</b>	<b>71897337</b>	<b>420441451</b>	<b>417478262</b>	
Previous Year	111964856	403637970	49851781	465751045	26084753	22188030	—	48272783	417478262	0	

**JAGSON AIRLINES LIMITED****SCHEDULE : 5**

	<u>As at</u> <u>31.03.2008 (Rs.)</u>	<u>As at</u> <u>31.03.2007 (Rs.)</u>
<b><u>INVESTMENTS</u></b>		
<i>(Long Term, Non-Trade, Valued at Cost)</i>		
<b>Quoted (Not ascertainable being not quoted)</b>		
Jindal Vijay Nagar Steel Ltd.	20250	20250
— 8100 (Previous year 8100) Partly convertible debentures of Rs.20/- each (Rs.2.50 paid)		
Jindal Vijay Nagar Steel Ltd.	130200	130200
— 22800 (Previous year 22800) — 8100 Equity Shares - Rs.10/- fully paid, — 6600 Equity Shares - Rs.5/- paid up and — 8100 Equity Shares - Rs.2/- paid up )		
Kuber Auto General Finance & Leasing Ltd.	56000	56000
— 5600 (Previous year 5600) Equity Shares of Rs.10/- each fully paid		
	<u>206450</u>	<u>206450</u>
<b>Current Investments</b>		
Non Trade		
Mutual Fund Units - Unquoted	<u>Face</u> <u>Value</u> <u>Rupees</u>	<u>As at</u> <u>31.03.2007</u> <u>(Rs.)</u>
GFMP 6A/c	0	18500000
<i>(Value as on 31.03.2007 Rs.20350000)</i>		
<b>TOTAL ( in Rs.)</b>	<u>206450</u>	<u>18706450</u>
Aggregate amount of Quoted Investments	206450	206450
Aggregate amount of Investment in Mutual Fund	0	18500000
Market value of Quoted Investments (Not ascertainable being not quoted)	—	—
Net Asset value of Investment in Mutual Funds		20350000

## SCHEDULE : 6

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>		
<b>(A) CURRENT ASSETS</b>		
Interest accrued on FDR & ICD	<u>7115693</u>	<u>6623202</u>
INVENTORIES (Valued at cost and as certified by the management)		
Aircraft Stores & Spares	<u>8934720</u>	<u>9091651</u>
<b>Sundry Debtors</b> (Unsecured But Considered Good)		
Outstanding for over six months	431739	443814
Other debts	58539348 <u>58971087</u>	42674411 <u>43118225</u>
<b>Cash and Bank Balances</b>		
Cash in hand	1177453	817719
Balances with Scheduled Banks:		
— In Current Accounts	1079066	4222517
— In Deposit Accounts	4228461	5007317
	<u>6484979</u>	<u>10047553</u>
<b>(B) LOANS AND ADVANCES</b>		
(Unsecured But Considered Good)		
Advances recoverable in cash or in kind or for value to be received	8599008	16124783
Inter Corporate Deposit	3360922	3360922
Security and Other Deposits	2628744 <u>14587674</u>	1873347 <u>21359052</u>
<b>TOTAL ( Rs.) (A+B)</b>	<u>96094153</u>	<u>90239683</u>

**JAGSON AIRLINES LIMITED****SCHEDULE : 7**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b>A. Current Liabilities</b>		
— Sundry Creditors	5673205	31124063
— Other Liabilities	3983991	8912707
Advance Against Share Warrants		19148300
Balance of Group Company	120611023	206212519
<b>B. Provisions</b>		
For Income Tax	0	0
— For Gratuity	634785	634785
— For FBT	599578	663317
<b>TOTAL ( in Rs.)</b>	<b><u>131502582</u></b>	<b><u>266695691</u></b>

**SCHEDULE : 8**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
Pre-operative Expenses	49788164	55320182
Add :transfer during the year	3605940	
Less : Written off during the year	5339410	49788164
Deffered Revenue Exp	1404074	2106111
<b>TOTAL ( in Rs.)</b>	<b><u>49458768</u></b>	<b><u>51894275</u></b>

**SCHEDULE : 9**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>PROFIT &amp; LOSS A/C</u></b>		
Opening Balance	55168057	NIL
ADD: Loss During The Year	61758225	55168057
	<b><u>116926282</u></b>	<b><u>55168057</u></b>

**SCHEDULE : 10**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>OPERATIVE REVENUE</u></b>		
Passenger Revenue	138098937	179776600
Charter Revenue	2201224	20017871
Cancellation Charges	890064	699172
Excess Baggage Revenue	637180	515379
<b>TOTAL ( in Rs.)</b>	<b><u>141827405</u></b>	<b><u>201009022</u></b>



**SCHEDULE : 11**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>OTHER INCOME:</u></b>		
Interest on Fixed Deposit	611015	2815027
Interest on I.C.D.	353310	403310
Insurance Charges	—	2580566
Pilot/Crew Training Fee	175000	70000
Miscellaneous Income	519067	514611
Loaning Charges Recd.	87000	—
Dividend Recd	2909310	7257
Net Amt Written Back	3692937	3348370
<b>TOTAL (in Rs.)</b>	<b>8347639</b>	<b>9739141</b>

**SCHEDULE : 12**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>OPERATING COST:</u></b>		
Aviation Fuel and Oil	2017103	24955918
Aircraft & Engineering Maintenance	8700635	12973829
In-flight Expenses	488899	1019281
Landing, Parking, Servicing and other airport exp.	3076438	4888548
Pilot Consultancy Charges	2766076	3353882
Helicopter Operating Charges	58812132	74060270
<b>TOTAL (in Rs.)</b>	<b>75861283</b>	<b>121251728</b>

**SCHEDULE : 13**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>SALARIES &amp; OTHER BENEFITS:</u></b>		
Salaries	28268379	32210044
Allowances & Reimbursement	3795502	2418356
Provident Fund & ESI	860129	790239
Gratuity	77019	49039
Ex-Gratia & Leave Encashment	18000	33000
<b>TOTAL (in Rs.)</b>	<b>33019029</b>	<b>35500678</b>

**JAGSON AIRLINES LIMITED****SCHEDULE : 14**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Conveyance Expenses	1124615	2452070
Traveling Expenses & Hotel Expenses	9947802	11118553
Legal & Professional Exp. including Consultancy fee	3926298	2691151
Filing Fee	7000	7500
Postage & Telegram	521153	457059
Rent	409012	594677
Advertisement	4748197	2284471
Printing & Stationery	1222338	1420999
Staff Welfare	681716	1313738
Telephone Expenses	1777173	1786476
Electricity & Water Charges	390922	829337
Auditors Remuneration	62360	50000
Entertainment & Business Promotion	582288	1334974
Inauguration & Operational exp.	1594555	—
Miscellaneous Expenses	1049064	766304
Los on sale of asset	614700	—
Subscription & Membership	688994	645025
Listing fees & Share transfer expenses	268179	50900
Vehicle Running Expenses	858241	1705254
Office Maintenance	3421736	2838400
Insurance Expenses	7357215	2372262
Commission on Sale of Ticket	550964	1696422
Previous Year Adjustment A/c	322601	148354
Donation	—	100000
<b>TOTAL ( in Rs.)</b>	<b><u><u>42127123</u></u></b>	<b><u><u>36663926</u></u></b>

**SCHEDULE : 15**

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b><u>FINANCIAL CHARGES</u></b>		
Bank Charges	1650535	1520920
Interest on Loan	446690	907597
<b>TOTAL ( in Rs.)</b>	<b><u><u>2097225</u></u></b>	<b><u><u>2428517</u></u></b>

**SCHEDULE : 16**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES**

- a) Accounting Convention:  
The financial statements are prepared under the historical cost convention. The company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except otherwise stated.
- b) Revenue/Expenditure:
  - I. Revenue from sale of tickets is recognized on the basis of actual booking
  - II. Expenses are accounted for on accrual basis and provisions are made for all known Liabilities.
  - III. Interest paid on term loan for purchase of Helicopter has been treated as Capital expenses.
- c) Fixed Assets and Depreciation
  - I. Fixed Assets are stated at cost of acquisition less accumulated depreciation.
  - II. Depreciation of Fixed Assets is provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 on prorata basis from the date of acquisition.
- d) Long term Investments  
Investments are stated at cost.
- e) Miscellaneous Expenditure  
Pre-operative Expenses are to be amortized over a period of 10 years.
- f) Retirement Benefits  
Gratuity wherever applicable is accounted for on accrual basis and leave encashment benefit is accounted for on cash basis.
- g) Foreign Currency Transactions  
Transactions in Foreign Exchange are accounted for on the prevalent exchange rate on the date of transaction. Outstanding liability in foreign currency as on 31.3.2008 is shown at the exchange rate prevailing as on 31.3.2008
- h) Deferred Revenue Expenses  
Deferred revenue expenses are amortized over the life of the asset of the becoming operational/put to use.

**II. NOTES TO ACCOUNTS**

1. Contingent Liabilities
  - i) Bank Guarantee of Rs.50000 (Previous Year 4350000)
2. Balances of sundry debtors, sundry creditors, loans & advances payable or receivable are subject to confirmation from some of the parties.
3. During the year Company has made a preferential allotment of 9521780 shares (Face value Rs. 10) at a premium of Rs. 10.11 per share to parties and companies Covered in the register maintained under section 301 of the act, during the year.
4. The company does not owe any sum exceeding Rs. 1,00,000/- to Small Scale undertaking, which is outstanding for more than 30 days.
5. The Company has not provided for the diminution in the value of long-term strategic investments made, since in the opinion of the Board such diminution in their value is temporary in nature considering the nature of these investments.
6. The Company has adopted a policy for treating interest paid on term loan obtained for purchase of helicopter as Capital expenses instead of revenue expenses resulting in decrease in loss by .Rs 218.5 Lakhs during the year.
7. Inter Corporate Deposit to the following Company is still outstanding though the Company has taken reasonable steps (Legal Action) for the recovery of the same.

S.No.	Name of the Company	Principal Amount	Interest accrued till	Total amount due
		as on 31.3.2008	31.3.2008	till 31.3.2008
		Rs.	Rs.	Rs.
i.	Premium International Finance Limited	33,60,922	69,65,693	1,03,26,615
8.	Auditors Remuneration			
		31.3.2008	31.3.2007	
		Rs.	Rs.	
	Audit Fee	35,000		35,000
	Tax Audit Fee	15,000	15,000	
		50,000	50,000	

9. Related parties Disclosures

- (i) List of related Parties  
Jagson International Limited.
- (ii) The relationship between both the companies is based on the fact that key managerial personnel Sh. J.P. Gupta Chairman of both Jagson International Ltd. and Jagson Airlines Ltd. is able to exercise significant influence.
- (iii) Transaction with related parties is an investment made by Jagson International Ltd. in shares of Jagson airlines ltd.
- (iv) Volume of Transaction

	Current period ( Rs.000)	Previous year (Rs.000)
Other amount payable	1,11,406	2,06,213
(v) Outstanding balance as at 31st March 08 payable to Jagson International Ltd. is Rs11,14,05,905 (Previous year Rs. 20,62,12,519)		
(vi) No amount has been provided as doubtful debts, written off or written back in the year in respect of debts due to above related parties.		

10. Disclosure on lease Transaction

The company has taken two aircrafts on lease from Jagson International Limited at Rs.2,50,000/- each per month. The lease rent is to be paid till the aircraft is operated by the company. Since the Company had to incur heavy expenditure on maintenance of the aircrafts, the Jagson International Ltd. agreed not to charge lease rentals for the year.

11. Deferred Tax Assets /Liability

Deferred tax Assets/(liability) As at 1.04.2007 (4,77,96,920)	Deferred tax Assets/(liability) for the year (2,65,73,202)	Deferred tax Assets/(liability) As at 31.03.2008 (7,43,70,122)
--	---	---

Company has provided deferred tax liability in accordance with Accounting Standard 22 " Accounting for Tax on Income". The management is of the view that sufficient future taxable income will be available against which such deferred tax assets can be realized.

12. Earning Per Share

Earning per share has been computed as under:

	2008 Rs.	2007 Rs.
a. Profit/ (Loss) after Taxation .	(116926282)	(55168057)
b. Number of Ordinary Share outstanding	20168980	10647200
c. Earnings per Share (Face Value -Rs 10. Per equity share)	(5.80)	(5.18)

13. Additional information required under paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

- a) Payment in Foreign Currency (Net of tax)

	31.3.2008 Rs.	31.3.2007 Rs.
Aircraft Stores & Spares	7,72,462	39,46,335
Helicopter Operating Charges	12,82,347	4,73,49,556
b) Earning in Foreign Currency		
Passenger Revenue	—	98,74,279

14. Previous year figures have been re-arranged/re-grouped/re-cast wherever it was necessary.

Signature to Schedule 1 to 15

for **Sanjay Kailash & Associates**

Chartered Accountants

Sd/-  
(Sanjay Mehra)  
Proprietor

Membership No. 91866

Sd/-  
Jagdish P. Gupta  
Chairman

Sd/-  
Ravinder Hora  
Director

Place : New Delhi

Dated : 27.06.08

Sd/-  
Ram Pravesh  
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED AS ON MARCH 31<sup>st</sup> 2008

PARTICULARS:	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before tax & Extraordinary items	(34585445)	(12816734)
Net Adjustment for Depreciation	23624554	22188030
Miscellaneous Expenses written off	5339410	5532018
<b>Operating Profit before Working Capital Changes</b>	<b>(5621481)</b>	<b>14903314</b>
<b>Adjustment for :</b>		
Inventories	156931	1060005
Trade & Other Receivables	(9573975)	(40459713)
Trade Payables	(108556168)	180854089
Deferred Revenue expenses	702037	1055556
Pre-Operative Expenses	(3605940)	(55320182)
Provisions	(63739)	(240722)
<b>Cash Generated for operations</b>	<b>(126562335)</b>	<b>101852347</b>
<b>Cash flow before Extraordinary items</b>		
Extraordinary items	(27172780)	(42351323)
<b>Net Cash Generated from Operating Activities</b>	<b>(153735115)</b>	<b>59501024</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Net Purchase of Fixed Assets	(26587743)	(353786189)
Sale of Investments	18500000	0
Borrowings	(33222712)	194141722
<b>Cash Flow from Investing Activities</b>	<b>(41310455)</b>	<b>(159644467)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/ (Decrease) in Share Capital	191482996	0
Dividend Paid	0	0
<b>Net Cash Generated in Financing Activities</b>	<b>191482996</b>	<b>0</b>
<b>Net increase/ (Decrease) in Cash and</b>		
<b>Cash Equivalent(A+B+C)</b>	<b>(3562574)</b>	<b>(100143443)</b>
<b>Cash and Cash Equivalent as at the beginning of the year</b>	<b>10047553</b>	<b>110190996</b>
<b>Cash and Cash Equivalent as at the close of the year</b>	<b>6484979</b>	<b>10047553</b>
	<b>(3562574)</b>	<b>(100143443)</b>

As per our report of even  
date attached

for Sanjay Kailash & Associates  
Chartered Accountants

Sd/-  
(Sanjay Mehra)  
Proprietor  
Membership No. 91866

Sd/-  
Jagdish P. Gupta  
Chairman

Sd/-  
Ravinder Hora  
Director

Place : New Delhi  
Dated : 27.06.08

Sd/-  
Ram Pravesh  
Company Secretary

**BALANCE SHEET ABSTRACT & COMPANY  
GENERAL BUSINESS PROFILE AS AT 31.03.2008**

**PART IV**

Amt. in 000

<b>I. Registration Details</b>	Registration No.: U63040HP1994PLC019011	State Code : 06
	Balance Sheet Date : Day : 31st	Month : 03 Year : 2008
<b>II. Capital raised during the year (Amount in Thousands)</b>	Public Issue : 95218	Right Issue : Nil
	Bonus issue : Nil	Private Placement : Nil
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Thousands) Sources of Funds</b>	Total Liabilities : 371862	Total Assests : 683126
	Paid-up Capital : 201690	Reserves & Surplus : 109575
	Secured Loans : 165989	Unsecured Loans : Nil
	Application of Funds	
	Net Fixed Assets : 420441	Investments : 206
	Net Current Assets : (35408)	Misc. Expenditure : 49459
	Accumulated losses : 1143	
<b>Performance of Company (Rs. in Thousands)</b>	Turnover : 150175	Total Expenditure : 159146
	Profits before Tax : (116926)	Profit after tax : (116926)
	Earning per share (Rs.) : (5.80)	Dividend Rate % : Nil
* After previous year adjustment		
<b>IV. Generic Name of Three Products/Services of the Company (As per monetary terms)</b>	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 Accountants  
Sd/-  
**(Sanjay Mehra)**  
Prop.

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

Sd/-  
**Ravinder Hora**  
Director

Place : New Delhi  
Dated : 27.06.08

Sd/-  
**Ram Pravesh**  
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 Enterance of the Meeting Hall. Only Members or their Proxies\* are entitled to be present at the Meeting.

Name & Address of the Member	Folio No.	
	No. of Shares Held	

I hereby record my presence at the Thirteenth Annual General Meeting of the Company held at Panchayat Ghar, P.O. Durgapur. Distt. Shimla, Himachal Pradesh at 11.00 AM on Saturday, 27th September, 2008.

**SIGNATURE OF THE SHAREHOLDERS/PROXY\***

(\*Strike out which is not applicable)

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**JAGSON AIRLINES LIMITED**  
*Registered Office : 18B, SDA Complex, Kasumpti  
Shimla, Himachal Pradesh*

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

being a Member/Members of the above mentioned Company hereby appoint Mr./Mrs./Miss. \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

in the district of \_\_\_\_\_ as my/our Proxy and to vote for

me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on Saturday, the 27th September, 2008 at Panchayat Ghar, P.O. Durgapur, Distt. Shimla, Himachal Pradesh at 11.00 A.M.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Signature \_\_\_\_\_

Folio No. : \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

Atfix
Re. 1/-
Revenue
Stamp

**Note :**

- Any Member entitled to attend and vote at the meeting is entitled to attend and either vote in person or by Proxy and the Proxy need not be a Member.
- Proxies, in order to be effective, must be received at the Registered Office of the Company not less than that 48 hours before the time of holding of Annual General Meeting.

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***Postage Prepaid in Cash***

***BOOK POST***

If undelivered please return to :

**Jagson Airlines Limited**  
IIIrd Floor, Vandana Building, 11, Tolstoy Marg,  
New Delhi-110 001