

**Eighteenth Annual Report
2010-2011**



JAGSON AIRLINES LIMITED

JAGSON AIRLINES LIMITED
Eighteenth Annual Report 2010-2011

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

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NOTICE

Notice is hereby given that the Eighteenth 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 24th day of September 2011 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, 2011 together with the Director's Report and the Auditor's 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. R. C. Jain 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 an 'Ordinary Resolution':

"**RESOLVED THAT** Mr. Rajendra Prasad Sinha, who was appointed as an additional Director, in the meeting of the Board of Directors held on 28th April, 2011 and who holds office upto the date of 18th 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."

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

**Place : New Delhi
Date : 25th August, 2011**

**Sd/-
Jagdish P. Gupta
Chairman cum Managing Director**

NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a Proxy. Proxy need not be a member of the Company. The form of proxy must reach to the registered office of the Company at least 48 hours before the commencement of the meeting.**
2. The Notice convening the Annual general meeting is to be sent to every member. No extra copy shall be available at the meeting; the members are requested to bring their copy in the meeting.
3. Members attending the meeting are requested to complete the enclosed attendance slip & deliver the same at the entrance of the meeting hall.
4. Members are requested to inform their change of address so that they can receive their correspondence in time.
5. The Register of Members and Share Transfer Register the Company shall remain closed from 21st September, 2011 to 23rd September, 2011 (both days inclusive).
6. Distribution of Gift is not 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. Rajendra Prasad Sinha, as an Additional Director, having vast experience in the field of Banking and finance industry.

Mr. Rajendra Prasad Sinha joined the Board with effect from 28th April, 2011, pursuant to section 260 of the Companies Act, 1956 and he will hold office upto the date of forthcoming 18th Annual General Meeting of the Company.

The company has received notice under section 257 of the Companies Act, 1956 from shareholders of the company proposing the name of the Mr. Rajendra Prasad Sinha 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 recommend for your approval of the resolution contained in item no. 5 of the notice convening the Annual General Meeting.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting Eighteenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2011.

Particulars	Amount (Rs. In Lacs)	
	Year Ended March 2011	Year Ended March 2010
Total Income	1079.20	1170.71
Gross Profit/ (Loss) before Dep. & Tax	(489.54)	(356.33)
Provision for depreciation	287.27	279.37
Tax Provision	Nil	Nil
Provision for Deferred Tax	64.66	64.03
Provision for FBT	-	-
Net Profit/ (loss)	(844.34)	(573.58)
General Reserves (Surplus of Profit & Loss A/c)	962.65	962.65

OPERATIONS

The Company had closed its books for the year 2010-11 with a loss of Rs. 3163.45 Lac as against previous year Loss of Rs. of Rs. 2319.11 Lac.

DIVIDEND

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

PUBLIC DEPOSITS

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

DIRECTORS

Ms. Ravinder Hora and Mr. R.C. Jain, Directors are retiring by rotation and being eligible, offers themselves for reappointment.

Your Board of Directors recommends their appointment for your approval.

Mr. Rajendra Prasad Sinha, having vast experience in the field of Banking and finance industry, joined the Board and appointed as an additional Director with effect from 28th April, 2011. Pursuant to section 260 of the companies Act, 1956 he will hold the office upto the date of forthcoming 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 director and hence recommends the reappointment for your approval.

Mr. Tara Sankar Bhattacharya has resigned from the directorship of the Company w.e.f. 28th February, 2011. The Board of Directors of your Company places its gratitude and appreciation for his valuable services and advises to the Board during their 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 Non-Executive Directors (majority of them being independent) namely Ms. Ravinder Hora, Mr. Bhuvu Kant, and Mr. Sardar Singh Mudgal. Mr. Bhuvu Kant is the Chairman of the Audit Committee. The constitution of Audit Committee also meets with the requirement of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

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

SHARE TRANSFER COMMITTEE

The Share transfer committee controls the physical & 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 Limited and Bombay Stock Exchange Limited.

CORPORATE GOVERNANCE

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

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	(In Lacs)	
	<u>31.03.2011</u>	<u>31.03.2010</u>
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	-

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	Remunerati-on (Per Month) (In Rs./USD)	Qualification	Date of Employ-ment	Date of Resignation	Total Employment (In Years)	Age (in Years)	Last Employment
1	Mr. Slobodan Borislav Petrow	Vice President- Flight Operations	USD 11500	Qualified by Military Flying Academy, Yugoslav Airlines Aeronautical Collage, Aviation	05.11.2009	28.02.2011	31	53	MDLR Airlines, India

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors had prepared the accounts for the year ended 31st March, 2011 on a 'going concern' basis.

ACKNOWLEDGMENT

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

For and on behalf of the Board
For JAGSON AIRLINES LIMITED

Place : New Delhi
Date : 25th August, 2011

Sd/-
Jagdish P.Gupta
Chairman

CORPORATE GOVERNANCE DISCLOSURE

1. Company's Philosophy on Corporate Governance

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

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

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

2. Board of Directors

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

During the year 2010-11 the Board met Twenty Times on the following dates, namely:

10.04.2010, 17.04.2010, 20.05.2010, 29.05.2010, 06.06.2010, 11.07.2010, 22.07.2010, 23.07.2010, 14.08.2010, 30.08.2010, 13.09.2010, 08.10.2010, 19.10.2010, 30.10.2010, 04.11.2010, 15.11.2010, 14.02.2011, 15.02.2011, 28.02.2011, 29.03.2011.

Composition of Board of Directors as on 31st March 2011 is as follows:

Name	Category	Attendance Particulars		Number of other directorships and		
		Board Meeting	Last AGM	Other Directorships	Committee Membership	Committee Chairmanships
Mr. Jagdish Pershad Gupta	CMD	20	Present	1	-	-
Ms. Ravinder Hora	DIR	20	Present	1	3	2
Mr Bhuvi Kant	DIR	17	Present	2	3	1
Mr. Sardar Singh Mudgal	DIR	18	-	2	3	-
Mr. Ramesh Chandra Jain	DIR	2	-	2	1	1
*Mr. Tara Sankar Bhattacharya	DIR	1				

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

* Mr. Tara Sankar Bhattacharya has resigned from the Directorship of the Company w.e.f. 28th February, 2011.

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. R.C. Jain, 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. Rajendra Prasad Sinha, having vast experience in the field of Banking and Finance industry as an additional Director with effect from 28th April, 2011. Pursuant to Section 260 of the companies Act, 1956 he 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 director.

Mr. Tara Sankar Bhattacharya has resigned from the Directorship of the Company w.e.f. 28th February, 2011. The Board of Directors of your Company places its gratitude and appreciation for his valuable services and advises to the Board during their tenure as Director.

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 Airlines. She is associated with Jagson International Limited since 1988 and Jagson Airlines Limited since 1994.
2.	Mr. R.C. Jain	01.10.1933	Indian	He is an IAS(Indian Administrative Service)- Retired, Former Secretary to Government of India and Former adviser to Governor of Jammu & Kashmir and Uttar Pradesh during president's Rule.
3.	Mr. Rajindra Prasad Sinha	16.05.1950	Indian	Mr. Rajendra Prasad Sinha is a gold medalist from Patna University has more than 38 years of experience in banking sector. He superannuated as Deputy Managing Director encompassing two important verticals for the State Bank Group. During his long association with State Bank Group, Mr. Sinha held, with distinction, a variety of critical and challenging assignments within the Group. Presently, he is a Managing Director of M/s Embee Financial Services Limited.

3. Audit Committee

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

Audit Committee had met five times during the year year 2010-11, namely;

30th April 2010, 28th June, 2010, 31st July 2010, 30th October 2010, 30th January, 2011.

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 Jagdish Pershad Gupta, Chairman cum Managing Director and other Directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board thereof.

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

5. Share Transfer Committee

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

6. Shareholders / Investors Grievance Committee

The Shareholders/Investors Grievance Committee specifically looks into redressing of Shareholders/Investors Complaints such as Transfer, Change of Address etc. The Committee consists of three Directors, namely, Ms. Ravinder Hora (Chairman of the Committee) and Mr. Bhuvi Kant, Director, Sardar Singh Mudgil, 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.

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 Resoution</u>
2007-08	Panchyat Ghar, P O Durgapur, Distt. Shimla, Himachal Pradesh	27.09.2008	11.00 A.M.	A.G.M.	01
2008-09	Same as above	30.06.2009	10.00 A.M.	E.G.M.	01
2008-09	Same as above	22.09.2009	10.00 A.M.	A.G.M	Nil
2009-10	Same as above	25.09.2010	10.00 A.M.	A.G.M	Nil

Note:

Postal Ballot:

Voting Pattern and Procedure for Postal Ballot:

- The Board of directors of the Company had at its meeting held on 20th May 2010, appointed Mr. Ashish Kumar Friends, a practicing company secretary as the Scrutinizer for conducting the Postal Ballot voting Process.
- The Company had completed on 21st May 2010, the dispatch of postal ballot forms along with prepaid business reply envelopes to its members.
- Particulars of the postal ballot forms received from the members had been entered in a register separately maintained for this purpose.
- The postal Ballot forms had been kept under safe custody in sealed postal ballot boxes before commencement of scrutiny.
- All postal ballot forms received upto the close of working hours on 21st June 2010, the last date fixed for receipt of the postal ballot forms had been considered in scrutiny.
- The results of the Postal Ballot were announced on 22nd June 2010 at the Registered Office of the Company.

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

S. No.	Particulars	:	Resolution No. 1	Resolution No. 2
1.	Total number of Ballot Forms received	:	8	8
2.	Total number of Invalid Ballot Forms received	:	1	1
3.	Total number of Members voting in favour of Resolution.	:	7	7
4.	Valid Votes in Favor of the Resolution	:	14393404	14393404
5.	Total number of shares held by Members voting Against the Resolution.	:	Nil	Nil

Accordingly, an 'Ordinary Resolution' u/s 293(1)(d) as set out in item No. 1 and the 'Special Resolution' u/s 372A as set out in item No. 2 of the Postal Ballot Notice dated on 20th May 2010, had been duly approved by the requisite majority of the Shareholders of the Company.

8. Disclosures

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

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

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

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

9. Means of Communication

- a) 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. Financial results and Shareholding Pattern are also posted on the Electronic Data Information Filing and Retrieval (EDIFAR) website namely: www.seb_Hlt112651198i_Hlt112651198edifar.nic.in the website is also accessible through a hyperlink 'EDIFAR' from SEBI's official website: www.sebi.gov.in.

Now after omission of clause 51 (i.e. EDIFAR) of the Listing Agreement, the Company posted the Financial results, Shareholding Pattern, Quarterly Governance Report etc through Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.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 : 24th September 2011 at 10.00 A.M.
 Venue : Panchyat Ghar, P O Durgapur, Distt. Shimla, HP

- 10.2 Financial Calendar 2011-12** : Annual General Meeting (Next year) in the month of September, 2012.
 (Tentative)

Quarterly Results

Results for the quarter ending 30th June 2011 - Second week of August'2011
 Results for the quarter ending 30th September 2011 -Second week of Nov.'2011
 Results for the quarter ending 31st December 2011 -Second week of Feb.'2012
 Results for the year ending 31st March 2012 -Second week of May'2012

- 10.3 Book Closure date** : 21st September to 23rd Sept. 2011 (Both days Inclusive)

- 10.4 Dividend** : No dividend has been declared for the Financial Year 2010-11;

10.5 (a) Listing on Stock Exchanges & Stock Code

Stock Exchange	Code
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 2010-11 have been duly paid to the above Stock Exchanges

10.6 (i) Distribution of shareholding as on 31st March, 2011

Shareholding of Value of Rs.	Shareholders		Shareholdings		
	No.	% to Total	Shares	Amount	% to Total
Upto 5,000	13341	91.23	2476025	24760250.00	12.28
5,001 To 10,000	758	5.18	624549	6245490.00	3.10
10,001 To 20,000	288	1.97	440303	4403030.00	2.18
20,001 To 30,000	71	0.49	184420	1844200.00	0.91
30,001 To 40,000	32	0.22	114808	1148080.00	0.57
40,001 To 50,000	42	0.29	203418	2034180.00	1.01
50,001 To 1,00,000	46	0.31	345700	3457000.00	1.71
Above 1,00,001	45	0.31	15779757	157797570.00	78.24
Total	14623	100.00	20168980	201689800.00	100.00

(ii) Shareholding Pattern as on 31st March 2011

Category	%age
(A) Promoter's Category:	
1. Individual/ HUF	02.18 %
2. Body Corporate	69.35 %
(B) Non-Promoter's Category:	
1. Indian Public	24.53 %
2. International Investors	01.68 %
3. Bodies Corporate	02.26 %

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 2010-11 is given below:

Month	High (Rs.)	Low (Rs.)
April 2010	10.90	8.91
May 2010	10.30	8.55
June 2010	12.00	8.91
July 2010	11.50	9.20
August 2010	23.35	10.00
September 2010	21.35	13.00
October 2010	15.72	13.15
November 2010	15.28	12.08
December 2010	14.95	11.73
January 2011	15.59	12.03
February 2011	12.79	9.24
March 2011	10.98	8.33

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 : 91.447 % of the Shares issued by the Company have been dematerialised upto 31st March 2011.

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
3rd 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: 25th August, 2011

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. 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 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.

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.

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.

Place : New Delhi
Date : 25th August, 2011

For & on behalf of the Board
For JAGSON AIRLINES LIMITED
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 2010-11 has been received from all the Board members and senior management personnel.

For JAGSON AIRLINES LIMITED

Place : New Delhi
Date : 25th August, 2011

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, 2011 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.

Place : New Delhi
Date : 27.07.2011

For Sanjay Kailash & Associates
Chartered Accountants
Sd/-
(Sanjay Mehra)
Prop.
Membership No. 091866

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, 2011, 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, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) 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 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, 2011.
 - 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. 091866

Place : New Delhi
Date : 27/07/2011

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.
- ii) a) The inventory consisting of Aircraft stores & 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 taken a loan Rs. 3279.96 Lacs from Jagson International Limited being a company covered in the register maintained under section 301 of the Companies Act, 1956.
- c) Rate of interest and other terms and conditions of loan taken by the company, are not prejudicial to the interest of the company
- 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) According to the information and explanation given to us, 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, 2011 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.3164 Lacs as at 31st March 2011 and it has incurred a cash loss of Rs.489 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 given corporate guarantee for loans taken by M/s Jagson International Limited from State Bank of India.
- 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 not issued any debentures during the year nor there is any outstanding as on 31st March, 2011 and hence we have no comments to offer in respect of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003.
- xix) 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.
- xx) 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. 091866

Place : New Delhi
Date : 27/07/2011

JAGSON AIRLINES LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

<u>SOURCE OF FUNDS:</u>	SCHEDULE	<u>As at 31.03.2011</u>		<u>As at 31.03.2010</u>
		(Rs.)		(Rs.)
Shareholder's Funds:				
Share Capital	1		201,689,800	201,689,800
Reserves and Surplus	2		96,265,196	96,265,196
Loan Funds:				
Secured Loan	3		76,032,745	105,000,000
Unsecured Loan	4		327,996,655	263,869,279
			<u>701,984,396</u>	<u>666,824,275</u>
APPLICATION OF FUNDS:				
Fixed Assets				
Gross Block	5	526,361,448	521,358,125	
Less : Depreciation		<u>155,406,802</u>	<u>126,679,620</u>	
Net Block			370,954,646	394,678,506
Investments	6		-	35,000,000
Current Assets, Loans and Advances:				
- Interest accrued on deposits		8,159,032	8,161,911	
- Inventories		7,514,957	7,280,020	
- Sundry Debtors		34,519,081	28,648,906	
- Cash and Bank Balances		8,132,985	4,011,687	
- Loans and Advances		<u>39,669,111</u>	<u>15,314,978</u>	
		97,995,167	63,417,502	
Less : Current Liabilities and Provisions	8		<u>15,586,052</u>	
a) Current Liabilities		29,031,674		
b) Provisions		<u>1,115,331</u>		
		<u>30,147,005</u>		
Net Current Assets			67,848,162	47,831,450
Defferd Current Tax Assets/(Liabilities)			(88,611,992)	(82,145,399)
Miscellaneous Expenditure	9		35,447,895	39,548,336
(To the extent not written off or adjusted)				
Profit & Loss A/C	10		316,345,684	231,911,382
NOTES TO ACCOUNTS				
	17		<u>701,984,395</u>	<u>666,824,275</u>
TOTAL (in Rs.)				

As per our report of even
date attached

For **Sanjay Kallash & Associates**

Chartered Accountants

Sd/-
(Sanjay Mehra)
Proprieter
Membership No. 091866
Place : New Delhi
Dated : 27.07.2011

Sd/-
Jagdish P. Gupta
Chairman

Sd/-
Ravinder Hora
Director
Sd/-
Company Secretary

JAGSON AIRLINES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	SCHEDULE	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
<u>INCOME:</u>			
Operating Revenue	11	97,245,993	113,017,229
Other Income	12	10,674,585	4,054,203
TOTAL (Rs.)		107,920,578	117,071,432
<u>EXPENDITURE:</u>			
Operating Cost	13	41,913,718	43,334,470
Salaries & Other Benefits	14	38,444,808	45,953,192
Administrative and Other expenses	15	56,201,218	41,761,667
Financial Charges	16	16,214,812	17,019,087
Miscellaneous Expenses written off	-	4,100,441	4,636,939
TOTAL (Rs.)		156,874,997	152,705,355
Profit/ (Loss) before Depreciation taxation & other adjustments		(48,954,419)	(35,633,923)
Depreciation	5	28,727,182	27,937,428
Profit/ (Loss) before taxation & other adjustments		(77,681,601)	(63,571,351)
Add/(Less) Adjustments for the prior period items		(286,108)	(190,488)
Add/(Less) Provision For Deferred Tax		(6,466,593)	6,403,039
Profit/(Loss) after Taxation carried to Balance Sheet		(84,434,302)	(57,358,800)

As per our report of even
date attached

For **Sanjay Kailash & Associates**

Chartered Accountants

Sd/-
(Sanjay Mehra)
Proprieter
Membership No. 091866

Sd/-
Jagdish P. Gupta
Chairman

Sd/-
Ravinder Hora
Director

Place : New Delhi
Dated : 27.07.2011

Sd/-
Company Secretary

SCHEDULE : 1

SHARE CAPITAL

<u>AUTHORISED</u>	<u>As at</u> 31.03.2011(Rs.)	<u>As at</u> 31.03.2010(Rs.)
500,00,000 (Previous year 500,00,000)		
Equity Shares of Rs.10/- each	500,000,000	500,000,000
<u>Issued, Subscribed and Paid-up</u>		
2,01,68,980 (Previous years, 2,01,68,980)		
Equity Shares of Rs.10/- each fully paid		
Opening Balance	201,689,800	201,689,800
Add : Share Issued	-	
	<u>201,689,800</u>	<u>201,689,800</u>
TOTAL (in Rs.)	<u>201,689,800</u>	<u>201,689,800</u>

SCHEDULE : 2

<u>RESERVES AND SURPLUS</u>	<u>As at</u> 31.03.2011(Rs.)	<u>As at</u> 31.03.2010(Rs.)
Surplus in Profit & Loss A/c		
Opening Balance	96,265,196	96,265,196
ADD: Share Premium Amount	-	-
Less: Profit Trfd to Profit and Loss A/c	-	-
	<u>96,265,196</u>	<u>96,265,196</u>
TOTAL (in Rs.)	<u>96,265,196</u>	<u>96,265,196</u>

SCHEDULE : 3

<u>SECURED LOAN:</u>	<u>As at</u> 31.03.2011(Rs.)	<u>As at</u> 31.03.2010(Rs.)
Loan From Banks(SBI South Ext.)	76,032,745	105,000,000
<i>(Secured against Investments in Mutual Funds,</i>	<u>76,032,745</u>	<u>105,000,000</u>
<i>FDRs & hypothecation of Helicopter & Vehicles)</i>		

SCHEDULE : 4

<u>UNSECURED LOAN:</u>	<u>As at</u> 31.03.2011(Rs.)	<u>As at</u> 31.03.2010(Rs.)
Loan from group companies		
<u>Jagson International Ltd.</u>	327,996,655	263,869,279
	<u>327,996,655</u>	<u>263,869,279</u>

JAGSON AIRLINES LIMITED

Computation of Depreciation as per Companies Act, 1956

SCHEDULE : 5

FIXED ASSETS:

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 31.03.2010	Additions During the year	Transfer/ Adjustment As on 31.03.2011 During the year	As at 31.03.2010	For the period	ADJ.	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Plant & Machinery	24,982,407	2,081,981	-	13,275,116	1,285,558	-	14,560,674	12,503,714	11,707,291
Aircraft	73,750,030	-	-	29,091,662	4,130,002	-	33,221,664	40,528,366	44,658,368
Helicopter	398,469,357	2,021,000	-	79,292,526	22,427,460	-	101,719,986	298,770,371	319,176,831
Furniture & Fixture	5,179,453	351,310	-	1,647,108	350,097	-	1,997,205	3,533,558	3,532,345
Vehicle	2,908,005	303,537	-	1,694,459	305,096	-	1,999,555	1,211,987	1,213,546
Office Equipment	4,256,084	245,495	-	1,261,409	199,420	-	1,460,829	3,040,750	2,994,675
Office Bldg. - Shimla	1,812,789	-	-	417,340	29,548	-	446,888	1,365,901	1,395,449
Goodwill	10,000,000	-	-	-	-	-	-	10,000,000	10,000,000
Grand Total (Rs.)	521,358,125	5,003,323	-	126,679,620	28,727,182	-	155,406,802	370,954,646	394,678,506
Previous Year	511,118,763	10,239,382	-	98,742,192	27,937,428	-	126,679,620	394,678,506	-

SCHEDULE : 6

	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	(Rs.)	(Rs.)
<u>INVESTMENTS</u>		
<i>(Long Term, Non-Trade, Valued at Cost)</i>		
Quoted (Not ascertainable being not quoted)		
Jindal Vijay Nagar Steel Ltd.	-	-
- 8100 (Previous year 8100)		
Partly convertible debentures of Rs.20/- each		
(Rs.2.50 paid)		
Jindal Vijay Nagar Steel Ltd.	-	-
- 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.	-	-
- 5600 (Previous year 5600) Equity Shares		
of Rs.10/- each fully paid		
Mutual Fund		
- SBI Magnum Investa Cash Fund		35,000,000
- (17,12,613.6441 units @ Rs. 20.4366)		
TOTAL (in Rs.)	-	35,000,000
Aggregate amount of Quoted Investments	-	
Aggregate amount of Investment in Mutual Fund		35,000,000
Market value of Quoted Investments	-	-
(Not ascertainable being not quoted)		
Net Asset value of Investment in Mutual Funds		
NAV as on 31.03.2011: Rs. 20.44		

SCHEDULE : 7

CURRENT ASSETS, LOANS AND ADVANCES:		As at 31.03.2011	As at 31.03.2010
		(Rs.)	(Rs.)
(A)	CURRENT ASSETS		
	Interest accrued on FDR & ICD	<u>8,159,032</u>	<u>8,161,911</u>
	INVENTORIES		
	<i>(Valued at cost and as certified by the management)</i>		
	Aircraft Stores & Spares	7,514,957	7,280,020
		<u>7,514,957</u>	<u>7,280,020</u>
	Sundry Debtors		
	<i>(Unsecured But Considered Good)</i>		
	Outstanding for over six months	-	-
	Other debts	34,519,081	28,648,906
		<u>34,519,081</u>	<u>28,648,906</u>
	Cash and Bank Balances		
	Cash in hand	519,445	603,175
	Balances with Scheduled Banks:		
	- In Current Accounts	6,441,511	2,150,233
	- In Deposit Accounts	1,172,029	1,258,279
		<u>8,132,985</u>	<u>4,011,687</u>
(B)	LOANS AND ADVANCES		
	<i>(Unsecured But Considered Good)</i>		
	Advances recoverable in cash or in kind or for value to be received	33,184,251	8,530,719
	Inter Corporate Deposit		
	Premium International finance Ltd.	3,360,922	3,360,922
	Security and Other Deposits	3,123,938	3,423,337
		<u>39,669,111</u>	<u>15,314,978</u>
	TOTAL (Rs.) (A+B)	<u><u>97,995,167</u></u>	<u><u>63,417,502</u></u>

SCHEDULE : 8

CURRENT LIABILITIES & PROVISIONS		As at 31.03.2011	As at 31.03.2010
		(Rs.)	(Rs.)
A.	Current Liabilities		
	- Sundry Creditors	8,647,508	1,893,828
	- Other Liabilities	16,436,163	12,728,293
	Balance of Group Company	3,948,003	-
B.	Provisions		
	- For Gratuity	1,115,331	964,031
	TOTAL (in Rs.)	30,147,005	15,586,152

SCHEDULE : 9

MISCELLANEOUS EXPENDITURE		As at 31.03.2011	As at 31.03.2010
		(Rs.)	(Rs.)
	Pre-operative Expenses	38,924,303	43,249,225
	Add :transfer during the year		
	Less : Written off during the year	<u>3,892,430</u>	<u>4,324,922</u>
	Deffered Revenue Exp	416,022	624,033
	TOTAL (in Rs.)	35,447,895	39,548,336

SCHEDULE : 10

PROFIT & LOSS A/C		As at 31.03.2011	As at 31.03.2010
	Opening Balance	231,911,382	174,552,582
	ADD: Loss During The Year	84,434,302	57,358,800
	Less: Trfd from Reserves and surplus	<u>316,345,684</u>	<u>231,911,382</u>
	TOTAL (in Rs.)	316,345,684	231,911,382

SCHEDULE : 11

OPERATIVE REVENUE		As at 31.03.2011	As at 31.03.2010
		(Rs.)	(Rs.)
	Passenger & Charter Revenue	97,245,993	113,010,729
	Cancellation Charges	-	6,500
	TOTAL (in Rs.)	97,245,993	113,017,229

SCHEDULE : 12

<u>OTHER INCOME:</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	(Rs.)	(Rs.)
Interest on Fixed Deposit	158,773	102,769
Interest on I.C.D.	-	353,310
Interest on Mutual Funds	58,914	-
Pilot/Crew Training Fee	9,915,571	3,225,000
Miscellaneous Income	14,000	13,000
Foreign Ex. Fluctuation	75,239	24,078
Loaning Charges Recd.	15,500	177,000
Dividend Recd	3,363	-
Net Amt Written Back	433,225	159,046
TOTAL (in Rs.)	10,674,585	4,054,203

SCHEDULE : 13

<u>OPERATING COST:</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	(Rs.)	(Rs.)
Aviation Fuel and Oil	22,853,865	18,641,893
Aircraft & Engineering Maintenance	10,720,765	14,049,255
In-flight Expenses	1,095,602	28,516
Landing, Parking, Servicing and other airport exp.	7,243,486	10,614,806
TOTAL (in Rs.)	41,913,718	43,334,470

SCHEDULE : 14

<u>SALARIES & OTHER BENEFITS:</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	(Rs.)	(Rs.)
Salaries	37,179,197	44,038,571
Allowances & Reimbursement	410,234	770,851
Provident Fund & ESI	693,021	597,188
Gratuity	151,300	482,879
Ex-Gratia & Leave Encashment	11,056	63,703
TOTAL (in Rs.)	38,444,808	45,953,192

SCHEDULE : 15

<u>ADMINISTRATIVE EXPENSES</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	(Rs.)	(Rs.)
Conveyance Expenses	429,145	591,312
Traveling Expenses & Hotel Expenses	5,720,350	6,716,588
Legal & Professional Exp. including Consultancy fee	22,461,111	14,932,173
Postage & Telegram	454,262	318,472
Rent	2,766,826	1,789,770
Advertisement	232,674	594,924
Printing & Stationery	948,784	648,167
Staff Welfare	639,459	1,015,722
Telephone Expenses	901,572	991,836
Electricity & Water Charges	517,415	420,922
Auditors Remuneration	60,000	60,000
Entertainment & Business Promotion	319,006	101,611
Operational exp.	1,235,920	266,054
Miscellaneous Expenses	2,399,996	1,646,690
Training Exp	11,734,256	4,913,539
Subscription & Membership	336,500	325,500
Listing fees & Share transfer expenses	114,250	227,451
Vehicle Running Expenses	275,032	865,161
Office Maintenance	1,574,086	999,543
Insurance Expenses	3,080,574	4,332,701
Commission on Sale of Ticket	-	3,531
TOTAL (in Rs.)	56,201,218	41,761,667

SCHEDULE : 16

<u>FINANCIAL CHARGES</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	(Rs.)	(Rs.)
Bank Charges	1,245,531	1,433,494
Interest A/C Term Loan MI 172	14,876,717	15,499,137
Interest on Loan	92,564	86,456
TOTAL (in Rs.)	16,214,812	17,019,087

SCHEDULE : 17

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.

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

All the Investments have been sold during the year

e) Miscellaneous Expenditure

Pre-operative Expenses are to be amortized over a period of 10 years.

f) Retirement Benefits

Retirement Benefits wherever applicable is accounted for on valuation 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 31.3.2011 is shown at the exchange rate prevailing as on 31.3.2011

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. Nil (Previous Year Nil)
2. The company does not owe any sum exceeding Rs. 1,00,000/- to Small Scale undertaking, which is outstanding for more than 30 days.
3. 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 as on 31.3.2011 Rs.	Interest accrued till 31.3.2011 Rs.	Total amount due till 31.3.2011 Rs.
a.	Premium International	33,60,922	76,79,313	1,10,40,235

4. Auditors Remuneration

	31.3.2011 Rs.	31.3.2010 Rs.
Audit Fee	35,000	35,000
Tax Audit Fee	25,000	25,000
	60,000	60,000

5. Related parties Disclosures

- (I) List of related Parties
Jagson International Limited, Jindal Moters, Jindal Service Station & Pradeep Oil Corporation
- (I) The relationship between these companies and Jagson Airlines 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')
	Unsecured Loan (JIL)	3,72,996	2,63,869
	Amount payable (Jindal Service Station)	1,042	----
	Amount payable (Pradeep Oil Corporation)	2,905	----
(v)	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.		

6. 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.

7. Deferred Tax Assets /Liability

Deffered tax Assets/(liability) As at 1.04.2010	Deffered tax Assets/(liability) for the year	Deffered tax Assets/(liability) As at 31.03.2011
(8,21,45,399)	(64,66,593)	(8,86,11,992)

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.

8. Earning Per Share

Earning per share has been computed as under:

	<u>2011</u> Rs	<u>2010</u> Rs
a. Profit/ (Loss) after Taxation.	(8,44,34,302)	(5,73,58,800)
b. Number of Ordinary Share outstanding	2,01,68,980	2,01,68,980
c. Earnings per Share (Face Value -Rs 10. Per equity share)	(4.19)	(3.51)

9. 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)	31.3.2011 Rs. ----- NIL	31.3.2010 Rs. ----- NIL
	Aircraft Stores & Spares	NIL	NIL

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

Signature to Schedule 1 to 17

For Sanjay Kailash & Associates
Chartered Accountants

Sd/-
Sanjay Mehra
Prop.
Membership No. 091866

Sd/-
Jagdish P. Gupta
Chairman

Sd/-
Ravinder Hora
Director

Place : New Delhi
Date : 27/07/2011

Sd/-
Company Secretary

JAGSON AIRLINES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED AS ON MARCH 31st 2011

PARTICULARS:	As at 31.03.2011	As at 31.03.2010
	(Rs.)	(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax & Extraordinary items	(77681601)	(63571351)
Net Adjustment for Depreciation	28727182	27937428
Miscellaneous Expenses written off	3892430	4324922
Operating Profit before Working Capital Changes	(45061989)	(31309001)
Adjustment for :		
Inventories	(234937)	524191
Trade & Other Receivables	(30221429)	38991111
Trade Payables	20876246	(209601126)
Deferred Revenue expenses	208011	312017
Pre-Operative Expenses	0	0
Provisions	151300	(22739)
Cash Generated for operations	(54282798)	(201105547)
Cash flow before Extraordinary items		
Extraordinary items	(6752701)	6212551
Net Cash Generated from Operating Activities	(61035499)	(194892996)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net Purchase of Fixed Assets	(5003323)	(10239362)
Sale of Investment	35000000	206450
Purchase of Investment	0	(35000000)
Borrowings	35160120	211876976
Cash Flow from Investing Activities	65156797	166844064
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/ (Decrease) in Share Capital	0	0
Dividend Paid	0	0
Net Cash Generated in Financing Activities	0	0
Net increase/ (Decrease) in Cash and Cash Equivalent(A+B+C)	4121298	(28048932)
Cash and Cash Equivalent as at the beginning of the year	4011687	32060619
Cash and Cash Equivalent as at the close of the year	8132985	4011687
	4121298	(28048932)

As per our report of even
date attached

For **Sanjay Kailash & Associates**

Chartered Accountants
Sd/-
(Sanjay Mehra)

Proprietor

Membership No. 91866

Place : New Delhi

Dated : 27.07.2011

Sd/-
Jagdish P. Gupta
Chairman

Sd/-
Ravinder Hora
Director

Sd/-
Company Secretary

**BALANCE SHEET ABSTRACT & COMPANY
GENERAL BUSINESS PROFILE AS AT 31.03.2011**

PART IV		Amt. in 000
I. Registration Details	Registration No : 19011	State Code : 06
	Balance Sheet Date : Day 31	Month : 03 Year : 2011
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)	Total Liabilities : 30147	Total Assets : 97995
	Paid-up Capital : 201690	Reserves & Surplus : 96265
Sources of Funds	Secured Loans : 76032	Unsecured Loans : 327996
Application of Funds	Net Fixed Assets : 370954	Investments : Nil
	Net Current Assets : 67848	Misc. Expenditure : 35447
Performance of Company (Rs. in Thousands)	Accumulated losses :	
	Turnover : 107920	Total Expenditure : 156875
	Profits before Tax : (84434)	Profit after tax : (84434)
	Earning per share (Rs.) : (2.19)	Dividend Rate % : Nil
* After previous year adjustment		
IV. Generic Name of Threeltem Products/Services of the Company (As per monetary terms)	Item Code No. : 880230	
	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: 27.07.2011

Sd/-
Company Secretary

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

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of Equity Shareholder (IN BLOCK LETTER): _____

Name and Address of the proxy (IN BLOCK LETTER, to be filled in, if the proxy attends instead of Member) _____

I hereby record my presence at the Annual General Meeting of the Company held at Panchayat Ghar, P.O. Durgapur, Distt. Shimla, Himachal Pradesh at 10.00 a.m. on Saturday, 24th September, 2011.

Registered Folio No. (Applicable only in case of shares held in physical form) _____

DP ID No. _____ Client Id No. _____

No. of Shares held _____

SIGNATURE OF THE EQUITY SHAREHOLDER/ 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 24th day of September, 2011 at Panchayat Ghar, P.O. Durgapur, Distt. Shimla, Himachal Pradesh at 10.00 a.m. and at any adjournment thereof.

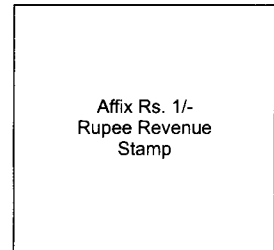
Signed this _____ day of _____ 2011.

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.

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 annexures 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

Sd/-
Jagdish P. Gupta
Chairman cum Managing Director

Place : New Delhi
Date : 25.08.2011

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