THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder of Jagson Airlines Limited (hereinafter referred to as "JAL" or "the Target Company"). If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

JAGSON INTERNATIONAL LIMITED
a company incorporated under the Companies Act, 1956
(Registered Office: 5, Krishna Menon Lane, New Delhi-110011)
Tel: 011-23721593/94 Fax: 91-11-23324693
(Hereinafter referred to as "the Acquirer")

along with Persons Acting in Concert
Mr. J. P. Gupta, R/o B-2/11 Safdarjung Enclave, New Delhi-110029, Tel: 011-23721593, Fax: 011-23324693
Mr. Pradeep Gupta, R/o B-2/11 Safdarjung Enclave, New Delhi-110029, Tel: 011-23323949, Fax: 011-30425298
Ms. Ravinder Hora, R/o K-48, Jungpura Extn., New Delhi-110014, Tel: 011-23328580, Fax: 011-23355298
Gaurav Portfolio Private Limited, having its Registered Office at 3H Vandana Building, 11 Tolstoy Marg, New Delhi-110001, Tel: 011- 23721593, Fax: 91-11-23324693
and
Gagar Holdings Limited, having its Registered Office at 3F Vandana Building, 11 Tolstoy Marg, New Delhi-110001, Tel: 011-23730685, Fax: 91-11-23355298

MAKE A CASH OFFER AT Rs. 20.11 PER FULLY PAID UP EQUITY SHARE TO ACQUIRE
40,33,796 fully paid up equity shares of Rs.10/- each representing 20% of the fully expanded voting equity capital post the conversion of Share Warrants into Equity Shares of
JAGSON AIRLINES LIMITED
a company incorporated under the Companies Act, 1956
(Registered Office: 18B, S.D.A. Complex Kasumpti, Shimla, Himachal Pradesh-171 009)
Tel: 0177-2625177 Fax: 0177-2625177

Attention:

- This Offer is being made pursuant to and in compliance with, among others, Regulation 11(2) pertaining to consolidation of holdings of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,1997 and subsequent amendments thereto.
- Since it is not a conditional Offer, the Offer is not subject to any minimum level of acceptance.
- Approval from RBI for acquiring shares from Non-Resident shareholders of the Target Company shall be procured as and when necessary. The Offer is subject to the statutory and regulatory approvals required to acquire shares tendered pursuant to this Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same by 18th March, 2008 i.e. upto three (3) working days prior to the closure of the Offer i.e. 24th March, 2008, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.
- If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision i.e. by 12th March, 2008 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered anytime during the Offer and accepted under the Offer.
- **If there is a competitive bid:**
  (i) the public Offers under all the subsisting bids shall close on the same date;
  (ii) as the Offer Price cannot be revised during seven working days prior to the closing date of the Offers / bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.
- **There has been no competitive bid as on date.**
- A copy of the Public Announcement dated 23rd November, 2007, Public Announcement (Corrigendum) dated 18th February, 2008 and this Letter of Offer (including the Form of Acceptance cum Acknowledgement and the Form of Withdrawal) is also available on SEBI's website (http://www.sebi.gov.in).

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following address:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Mefcom Capital Markets Limited 5th Floor, Sanchi Building, 77, Nehru Place, New Delhi - 110019 Tel.: +91(11) 46500500 Fax: +91(11) 46500550 Email: ashok.juneja@mefcom.in Contact Person: Mr. Ashok Juneja	**RCMC Share Registry Private Limited** B-106, Sector-2, Noida-201301 Tel.: 0120-4015880 Fax: 0120-2444346 E-mail: shares@rcmcdelhi.com Contact Person: Mr. Rakesh Adhana

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 10 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 22 – 24)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL IS ENCLOSED WITH THIS LETTER OF OFFER

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule	Revised Schedule
Issue of Public Announcement	23rd Nov., 2007, Friday	23rd Nov., 2007, Friday
Specified Date	17th Dec., 2007, Monday	17th Dec., 2007, Monday
Last date for a Competitive bid	14th Dec., 2007, Friday	14th Dec., 2007, Friday
Letter of Offer to be posted to shareholders	26th Dec., 2007, Wednesday	29th Feb., 2008, Friday
Date of Opening of the Offer	3rd Jan., 2008, Thursday	5th Mar., 2008, Wednesday
Last date for revising the Offer Price / number of shares	15th Jan., 2008, Tuesday	12th Mar., 2008, Wednesday
Last date for withdrawal of acceptance by shareholders	21st Jan., 2008, Monday	18th Mar., 2008, Tuesday
Date of Closing of the Offer	24th Jan., 2008, Thursday	24th Mar., 2008, Monday
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be despatched	8th Feb., 2008, Friday	8th Apr., 2008, Tuesday

Risk factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirer:

i. In the event that either, (a) the regulatory approvals are not received in timely manner, or (b) there is any litigation to stay the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer proceedings may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of JAL, whose shares have been accepted in the Offer as well as shares not accepted by the Acquirer, may be delayed.
ii. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
iii. Association of the Target Company with the Acquirer does not warrant any assurance with respect to the future financial performance of the Target Company.
iv. The Acquirer makes no assurance of market price of shares of the Target Company during or after the Offer.

The risk factors set forth above are only applicable to this Open Offer and are not in any way related to present or future business or transactions or operations of JAL. These risk factors are not related to any transactions by any person or shareholder with JAL, which are outside the purview of this Open Offer. The risks mentioned are inclusive and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the Offer. Shareholders of JAL are advised to consult their stockbrokers or investment consultants, if any, before making the final decision with respect to their participation in the Offer.

INDEX

1. KEY DEFINITIONS	
Acquirer	Jagson International Limited.
Bank Guarantee	Bank Guarantee dated 20th November, 2007 issued on behalf of the Acquirer in terms of Regulation 28 of the SEBI (SAST) Regulations, 1997 by State Bank of India, Trade Finance CPC, C Block, 7th Floor, 11, Parliament Street, New Delhi valid upto 30th April, 2008.
Book value per share	Net Worth / Number of Equity Shares issued.
BSE	Bombay Stock Exchange Limited.
Cash Deposits	The amount of Rs. 8,11,200 (Rupees Eight Lakhs Eleven Thousand Two Hundred Only) held in the Escrow Account with Kotak Mahindra Bank Limited.
DSE	Delhi Stock Exchange Limited.
EPS	Earning per Share.
Form of Acceptance	Form of Acceptance cum Acknowledgement.
Form of Withdrawal	Form of Withdrawal.
JAL	Jagson Airlines Limited.
JIL	Jagson International Limited.
Letter of Offer or LOO	Offer Document.
Manager to the Offer or Merchant Banker	Mefcom Capital Markets Limited.
N.A	Not Available / Not Applicable.
Offer or The Offer	Open Offer for acquisition of 40,33,796 equity shares of Rs. 10/- each representing 20% of the total expanded voting capital of the Target Company at a price of Rs. 20.11 (Rupees Twenty and Eleven Paise Only) per fully paid equity share, payable in Cash.
Offer Price	Price of Rs. 20.11 (Rupees Twenty and Eleven Paise Only) per share.
Public Announcement or PA	Announcement of this Offer made on behalf of the Acquirer alongwith PACs to the shareholders of the Target Company published on 23rd November, 2007 which appeared in all the available editions of Financial Express, Jansatta, Navshakti and Himachal Times on that day.
Public Announcement (Corrigendum)	Announcement in continuation of, and to be read in conjunction with, the Public Announcement dated November 23, 2007 made on behalf of the Acquirer along with PACs to the shareholders of the Target Company published on 18th February, 2008 which appeared in the same newspapers in which the Public Announcement dated 23rd November, 2007 was published.
Persons eligible to participate	Registered shareholders of Jagson Airlines Limited and unregistered shareholders in the Offer who own the equity shares of Jagson Airlines Limited any time prior to the Offer closure other than the Acquirer and PACs.
Persons Acting in Concert or PACs	Mr. J. P. Gupta, Mr. Pradeep Gupta, Ms. Ravinder Hora, Gaurav Portfolio Private Limited and Gagar Holdings Limited.
Preferential Issue	Issue of 95,21,780 Share Warrants entitling the share warrant holders to apply for equivalent number of shares for cash at a price of Rs. 20.11 (including a premium of Rs. 10.11) per share, to the Acquirer in accordance with the applicable provisions of SEBI (DIP) Guidelines, subject to the necessary permissions, sanctions and approvals.
RBI	The Reserve Bank of India.
Registrar to the Offer	RCMC Share Registry Private Limited, the Registrar to the Offer appointed by the Acquirer, having its office at B-106, Sector-2, Noida-201301.
Return on Net Worth	(Profit After Tax / Net Worth) * 100.
SEBI	Securities and Exchange Board of India.
SEBI (DIP) Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto.

SEBI (SAST) Regulations, 1997	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
Shareholders	Shareholders of Jagson Airlines Limited.
Share / Shares	Fully paid up equity share / shares of Rs. 10/- each of Jagson Airlines Limited.
Specified Date	17th December, 2007, being the date for the purpose of determining the names of the shareholders to whom the Letter of Offer will be sent.
Stock Exchanges	BSE and DSE.
Target Company	Jagson Airlines Limited.
Share Warrants	95,21,780 Share Warrants issued on a preferential basis to the Acquirer, entitling the share warrant holders to apply for one Equity Share per Share Warrant, for cash at a price of Rs. 20.11 (including a premium of Rs. 10.11) per share, to the Acquirer in accordance with the guidelines for Preferential Issue of SEBI (DIP) Guidelines. The Share Warrant holders can exercise the right to apply for equity shares at any time upto the expiry of 18 months from the date of allotment. These Share Warrant Holders have since exercised their option to convert the Share Warrants into Equity Shares and consequently the Target Company has issued on 29th November, 2007, 95,21,780 Equity Shares of Rs. 10/- each for cash at a price of Rs. 20.11 (i.e. including a premium of Rs. 10.11) per share.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF JAGSON AIRLINES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, MEFCOM CAPITAL MARKETS LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 3RD DECEMBER, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENT(S) THERETO. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Offer to the shareholders of the Target Company is being made in accordance with and under Regulation 11(2) pertaining to consolidation of holdings of the SEBI (SAST) Regulations, 1997.

3.1.2 The Offer is being made by M/s Jagson International Limited, who is the sole Acquirer under the Offer. Mr. J. P. Gupta, Mr. Pradeep Gupta, Ms. Ravinder Hora, Gaurav Portfolio Private Limited and Gagar Holdings Limited are the PACs under the Offer.

3.1.3 At its meeting held on April 28, 2007, the Board of Directors of the Target Company ("Board") approved the issue of the Share Warrants to the Acquirer subject to approval of the Shareholders of the Target Company in a general meeting. The shareholders of the Target Company have vide a Special Resolution passed in terms of Section 81(1A) of the Companies Act, 1956, the SEBI (DIP) Guidelines, the provisions of the Memorandum and Articles of Association of the Target Company, the Listing Agreement and the guidelines issued by Reserve Bank of India ("RBI"), and all other concerned statutory and other authorities in this regard, at the Extra-ordinary General Meeting held on May 26, 2007 approved the issue and allotment of the share warrants up to 95,21,780 share warrants of Rs. 10/- each at a price not below Rs. 20.11 per share (inclusive of premium of Rs. 10.11/-) (hereinafter referred to as "Share Warrants") aggregating to Rs. 19,14,82,996 for cash on Preferential Basis to M/s Jagson International Limited, Promoter Group.

Upon this conversion on 29th November, 2007, the holding of the Acquirer increased from 43,40,376 equity shares representing 40.77% of pre-preferential paid up share capital of JAL to 1,38,62,156 equity shares representing 68.73% of post-preferential paid up share capital of JAL, and also the holding of promoter group increased from 48,14,276 equity shares representing 45.22% of pre-preferential paid up share capital to 1,43,36,056 equity shares representing 71.08% of post-preferential paid up share capital which resulted in triggering of SEBI (SAST) Regulations, 1997.

3.1.4 None of the Acquirer, PACs or the Target Company has been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments made thereto.

3.1.5 There is no change in the Board of Directors of the Acquirer as well as the Target Company after the Offer.

3.1.6 The Acquirer does not intend to make any changes in the Board of Directors of the Target Company.

3.1.7 The identity of the Acquirer along with number of shares acquired is given below.

Name/Identity of the Acquirer	Pre Preferential holding of the Acquirer and % to the total paid up capital (i.e. 1,06,47,200 shares)	Number of shares acquired	Post preferential holding of the Acquirer and % to the total expanded paid up capital (i.e.2,01,68,980 shares)
Jagson International Limited	43,40,376 (40.77%)	95,21,780	1,38,62,156 (68.73%)

3.1.8 The Acquirer belongs to the Promoter Group of the Target Company. The holding of Promoter Group as on date of PA is 45.22% of the total share capital / voting rights of the Target Company as given below:

Sr. No.	Name of shareholder	Number of shares	%
1.	Jagdish Pershad Gupta	4,24,729	3.99
2.	Jagson International Limited (Acquirer)	43,40,376	40.77
3.	Pradeep Gupta	34,831	0.33
4.	Ravinder Hora	14,340	0.13
	TOTAL	**48,14,276**	**45.22**

3.1.9 There is no non-compete agreement.

3.2 The Offer

3.2.1 The Acquirer has made a Public Announcement which was published on 23rd November, 2007 in the following newspapers in accordance with Regulation 15 and pursuant to Regulation 11(2) pertaining to consolidation of holdings of SEBI (SAST) Regulations, 1997.

Publications	Editions
Financial Express	All Editions
Jansatta	All Editions
Navshakti	Mumbai
Himachal Times	Shimla

This Public Announcement is also available on the SEBI's website http://www.sebi.gov.in.

3.2.2 The Acquirer has also made a PA (Corrigendum) which was published on 18th February, 2008 in the same newspapers as mentioned in the above clause 3.2.1 pursuant to SEBI observation letter no. CFD/DCR/TO/SKM/117002/08 dated 13th February, 2008. This PA (Corrigendum) is also available on the SEBI's website http://www.sebi.gov.in.

3.2.3 The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, 1997 to acquire upto 40,33,796 equity shares of Rs. 10/- each representing 20% of the fully expanded voting equity capital of the Target Company at a price of Rs. 20.11 (Rupees Twenty and Eleven Paise Only) per fully paid up equity share ("Offer Price") payable in cash, subject to the terms and conditions mentioned hereinafter.

3.2.4 There are no partly paid-up shares in the Target Company.

3.2.5 The Offer is not a competitive bid.

3.2.6 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional Offer. The Acquirer will accept those equity shares of JAL that are tendered in valid form in terms of this Offer up to maximum of 40,33,796 equity shares.

3.2.7 The Acquirer and PACs have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.3 Objects of the Offer

3.3.1 This Offer is being made pursuant to Regulation 11(2) pertaining to consolidation of holdings of the SEBI (SAST) Regulations, 1997 consequent to the preferential allotment of shares warrants by JAL to the Acquirer as explained in Para 3.1.3 above resulting in increasing of holding of the Acquirer in JAL. As a result of the conversion of share warrants into equity shares on 29th November, 2007 the aggregate holding of the promoter group also stand increased from 45.22% of pre-preferential paid up share capital of the Target Company to 71.08% of post-preferential paid up share capital.

3.3.2 This Offer is pursuant to Regulation 11(2) pertaining to consolidation of holdings of the SEBI (SAST) Regulations, 1997 and other applicable provisions of the Regulations.

4. BACKGROUND OF THE ACQUIRER AND PACs

4.1 Background of the Acquirer

4.1.1 Jagson International Limited is a Public Limited Company incorporated with the Registrar of Companies, NCT of Delhi and Haryana vide its certificate of incorporation dated August 23, 1988 under the Companies Act, 1956. At present, the Registered Office of the Company is situated at 5, Krishna Menon Lane, New Delhi - 110011. Phone No. 011-23721593/94, Fax: 91-11-23324693.

4.1.2 The Acquirer is one of the Promoters of the Target Company and is also one of the companies of Jagson Group which has been promoted by Mr. J. P. Gupta. The Acquirer is one of the few Indian privately run majors to enter off-shore drilling in Oil And Natural Gas exploration sector since the Government introduced an Open Door Policy. The Acquirer is the Importer of Bop, Mud System, Cat Engines Cementing Unit, Water Maker, Drill Pipe X-overs, Rollars etc., and Oil & Gas Field Equipments.

4.1.3 The present promoters of JIL are Mr. J. P. Gupta, Ms. Ravinder Hora and Mr. Pradeep Gupta. The Board of Directors of Acquirer comprises of Mr. J. P. Gupta, Ms. Ravinder Hora, Mr. Pradeep Gupta and Mr. Hari Chand Babu.

4.1.4 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and PACs and they have not made timely disclosures to the Target Company as well as to the Stock Exchanges and SEBI may take an appropriate action in this regard for all Non-Compliances of Chapter II of SEBI (SAST) Regulations, 1997.

4.1.5 The Authorised Share Capital of JIL as on the date of PA is Rs. 40,00,00,000 divided into 4,00,00,000 equity shares of Rs 10/- each. The Issued, Subscribed and Paid up share capital of JIL constitutes 3,80,90,377 fully paid up equity shares of Rs. 10/- each aggregating to Rs. 38,09,03,770.

4.1.6 The shareholding pattern of Jagson International Limited as on the date of Public Announcement is as under:

S. No.	Shareholder's Category	No. of shares held	% of shareholding
1.	Promoters and Persons Acting in Concert	3,80,89,757	99.998
2.	Mutual Funds / FIIs / FIs / Banks	Nil	Nil
3.	Public and others	620	0.002
	TOTAL	**3,80,90,377**	**100**

4.1.7 The Board of Directors of JIL as on the date of PA consists of following members:-

S. No	Name of the Director	Designa-tion	Qualification and Experience	Residential Address	Date of Appointment	No. of shares held in the Target Company	Other Director-ships
1.	Mr. J. P. Gupta.	Director	Graduate. An experienced entrepreneur with over 20 years of business experience in the business of oil exploration drilling, and Airlines. He is the main promoter of Jagson International Limited and Jagson Airlines Limited	B-2/11, Safdarjung Enclave, New Delhi-110029	23/08/1988	4,24,729	Jagson Airlines Limited
2.	Ms. Ravinder Hora	Director	Post Graduate with experience of over 30 years in the field of oil exploration and is associated with JIL since 1988 and JAL since 1994	K-48, Jungpura Extn., New Delhi-110014	23/08/1988	14,340	Jagson Airlines Limited
3.	Mr. Pradeep Gupta	Director	Graduate with an experience of over 15 years in business and is actively involved in the field of oil exploration.	B-2/11, Safdarjung Enclave, New Delhi-110029	01/03/2001	34,381	NIL
4.	Mr. Hari Chand Babu	Director	Middle School pass with an experience of over 30 years in the field of oil exploration and is associated with JIL since 2003.	A-79, Sukhdev Vihar, New Delhi - 110003	01/01/2003	NIL	NIL

Mr. J. P. Gupta and Ms. Ravinder Hora are also on the Board of the Target Company.

4.1.8 The Shares of JIL are not listed on any stock exchange.

4.1.9 The Brief Audited Financials of JIL are as under:

(Rs. in Lakhs)

Profit & Loss Statement	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (Audited)	As on 30.09.07 (unaudited)
Income from Operations	2227.51	2911.04	2955.10	2630.59
Other income	566.77	284.69	287.12	473.51
Total Income	2794.28	3195.73	3242.23	3104.10
Total Expenditure	1831.98	2227.96	2277.82	1220.10
Profit Before Depreciation, Interest & Tax	962.30	967.76	964.41	1884.00
Depreciation	274.06	282.18	290.86	295.00
Interest	104.38	181.25	229.76	172.86
Profit Before Tax	583.86	504.33	443.79	1416.14
Provision for Tax	65.66	55.31	48.56	156.73
Profit after Tax	518.20	449.02	395.22	1259.41

(Rs. in Lakhs)

Balance Sheet Statement	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (Audited)	As on 30.09.07 (unaudited)
Sources of Funds				
Paid up Share Capital	3809.04	3809.04	3809.04	3809.04
Reserves & Surplus (excluding Revaluation Reserves)	12405.52	12954.55	12683.61#	13942.65
Net worth	16214.56	16763.59	16492.64	17751.69
Revaluation Reserves	922.02	774.42	626.82	626.83
Secured Loans	1262.18	1529.65	2268.53	1248.14
Unsecured Loans	11.81	6.17	5.89	2.09
Total	**18410.56**	**19073.82**	**19393.88**	**19628.73**
Uses of Funds				
Net Fixed Assets	8948.51	8761.01	8674.97	8403.97
Investments	3408.25	2511.65	2055.84	2523.83
Net Current Assets	6053.80	7801.16	8620.13	8700.93
Deferred Tax Provision	0.00	0.00	42.95	0.00
Total Miscellaneous Expenditure not written off	0.00	0.00	0.00	0.00
Total	**18410.56**	**19073.82**	**19393.88**	**19628.73**

Other Financial Data	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (Audited)	As on 30.09.07 (unaudited)
Dividend (%)	0.00	0.00	0.00	0.00
Earning Per Share	1.36	1.18	1.04	1.65
Return on Net Worth	0.03	0.03	0.02	7.09
Book Value Per Share	44.99	46.04	43.83	48.25

Source: Certificate of Statutory Auditors and Annual Report.

DETAILS OF RESERVES AND SURPLUS (EXCLUDING REVALUATION RESERVES) AS ON 31.03.2007

Particulars	As on 31.03.2007
General Reserve	5497.30
Less: Dividend Paid	741.16
Add: Transfer during the year	395.22
Total (A)	**5151.36**
Shipping Reserve	3984.43
Add: Transfer during the year	0.00
Less: Transfer to Shipping Reserve Utilization Account	101.66
Total (B)	**3882.77**
Shipping Reserve Utilization Account	3372.82
Add: Transfer during the year	101.66
Total (C)	**3474.48**
Reserve for Tonnage Tax	100.00
Add: Transfer during the year	75.00
Total (D)	**175.00**
TOTAL (A)+(B)+(C)+(D)	**12683.61**

Formula: - Return on Net Worth = (Profit after Tax / Net Worth) * 100; Book value of shares = Net Worth / Number of equity shares issued; EPS= Profit after Tax / Number of equity shares issued.

JIL is not a Sick Industrial Undertaking.

4.1.10 There are contingent liabilities in the Company as per Annual Report 2006-2007.

(i) Contingent liabilities not provided for are Rs. 2,044 Lakhs for the year ended 31st March, 2007 and Rs. 1,353.71 Lakhs for the year ended 31st March, 2006 in the form of Outstanding Bank Guarantee(s).
(ii) Contingent liability toward custom duty is yet to be ascertained by Custom and Excise Appellate Tribunal. The demand raised by the Tribunal has been duly deposited by the company hence no amount has been considered as contingent liability for the year ending on 2006.

4.1.11 Reasons for rise / fall in profit during the relevant years:

From period 31.3.2007 to 30.09.2007: During this period, JIL's contract with ONGC was revised from April, 2007 onward from USD 22000/- to USD 40500/- per day for next 3 years and its expenses remained same, so the profitability increased.

For the year ended 31.03.2007: During the year under review, there was a fall in profit after tax as compared to the previous year from Rs 449.02 Lakhs to Rs. 395.22 Lakhs due to increase in the Financial expenses in the year 2007.

For the year ended 31.03.2006: The profit of the company was affected due to increase in repair and maintenance expenses of the two rigs purchased during the year and the old rig, viz. Deep Sea Matdrill was not in operation for part of the year as it was gone to Dubai Dry Dock, Dubai for up-gradation.

For the year ended 31.03.2005: During the year under review, the total operating income decreased due to the fact that the company was operating two oil rigs in 2004 but on May 2004, one contract of oil rig was completed, so in this year only one rig was operational.

4.1.12 The Acquirer along with PACs has acquired shares of the Target Company from time to time as per details mentioned under this clause. Consequent to such acquisition of shares the SEBI (SAST) Regulations, 1997 was triggered from 18.06.1997 to 06.10.1998 but the compliance in respect of Open Offer was not made. However, the 26 weeks and 2 weeks prices have been calculated with reference to the relevant date of triggering the SEBI (SAST) Regulations, 1997 and the highest price at which the Offer should have been made i.e. Rs. 4.01 is much below the instant Offer Price of Rs. 20.11.

Details of earlier acquisitions made in the Target Company by the Acquirer and PACs:

As on	Mode of Acquisition	Details of Acquisition				No. of Total Shares		Paid up Capital of the Target Company
		Name of the Acquirer/ PACs	No. of Shares	% of shares to the paid up capital	Cumulative % of shares	No. of Shares	% of shares to the paid up capital	
01.04.1997	**Opening**	**Promoters**				**2943600**	**27.65%**	**10647200**
19.04.1997	open Market	JIL	10540	0.10%	0.10%	2954140	27.75%	10647200
20.04.1997	open Market	JIL	6355	0.06%	0.16%	2960495	27.81%	10647200
24.04.1997	open Market	JIL	18495	0.17%	0.33%	2978990	27.98%	10647200
26.04.1997	open Market	JIL	13800	0.13%	0.46%	2992790	28.11%	10647200
03.05.1997	open Market	JIL	9700	0.09%	0.55%	3002490	28.20%	10647200
04.05.1997	open Market	JIL	10700	0.10%	0.65%	3013190	28.30%	10647200
16.05.1997	open Market	JIL	24730	0.23%	0.89%	3037920	28.53%	10647200
17.05.1997	open Market	JIL	39600	0.37%	1.26%	3077520	28.90%	10647200
	open Market	Mr. J. P. Gupta	2500	0.02%	1.28%	3080020	28.93%	10647200
26.05.1997	open Market	JIL	700	0.01%	1.29%	3080720	28.93%	10647200
31.05.1997	open Market	JIL	22910	0.22%	1.50%	3103630	29.15%	10647200
18.06.1997	open Market	JIL	60100	0.56%	2.07%	3163730	29.71%	10647200
01.08.1997	open Market	JIL	39500	0.37%	2.44%	3203230	30.09%	10647200
30.08.1997	open Market	JIL	40700	0.38%	2.82%	3243930	30.47%	10647200
13.10.1997	open Market	JIL	29700	0.28%	3.10%	3273630	30.75%	10647200
16.10.1997	open Market	JIL	7500	0.07%	3.17%	3281130	30.82%	10647200
31.10.1997	open Market	JIL	10300	0.10%	3.27%	3291430	30.91%	10647200
08.12.1997	open Market	JIL	7200	0.07%	3.33%	3298630	30.98%	10647200
29.12.1997	open Market	JIL	22600	0.21%	3.55%	3321230	31.19%	10647200
05.01.1998	open Market	JIL	16400	0.15%	3.70%	3337630	31.35%	10647200
16.01.1998	open Market	JIL	13700	0.13%	3.83%	3351330	31.48%	10647200
02.03.1998	open Market	JIL	4300	0.04%	3.87%	3355630	31.52%	10647200
10.03.1998	open Market	JIL	16800	0.16%	4.03%	3372430	31.67%	10647200
14.03.1998	open Market	JIL	270	0.00%	4.03%	3372700	31.68%	10647200
20.03.1998	open Market	JIL	2200	0.02%	4.05%	3374900	31.70%	10647200
25.03.1998	open Market	JIL	21300	0.20%	4.25%	3396200	31.90%	10647200
26.03.1998	open Market	JIL	6600	0.06%	4.31%	3402800	31.96%	10647200
31.03.1998	**Closing**	**Promoters**				**3402800**	**31.96%**	**10647200**
06.04.1998	open Market	JIL	40500	0.38%	0.38%	3443300	32.34%	10647200
08.04.1998	open Market	JIL	700	0.01%	0.39%	3444000	32.35%	10647200
13.04.1998	open Market	JIL	2500	0.02%	0.41%	3446500	32.37%	10647200

20.04.1998	open Market	JIL	1600	0.02%	0.43%	3448100	32.39%	10647200
07.05.1998	open Market	JIL	22600	0.21%	0.64%	3470700	32.60%	10647200
11.05.1998	open Market	JIL	25600	0.24%	0.88%	3496300	32.84%	10647200
18.05.1998	open Market	JIL	4200	0.04%	0.92%	3500500	32.88%	10647200
30.05.1998	open Market	JIL	6600	0.06%	0.98%	3507100	32.94%	10647200
06.06.1998	open Market	JIL	3500	0.03%	1.01%	3510600	32.97%	10647200
09.06.1998	open Market	JIL	5200	0.05%	1.06%	3515800	33.02%	10647200
23.06.1998	open Market	JIL	8500	0.08%	1.14%	3524300	33.10%	10647200
04.07.1998	open Market	JIL	6500	0.06%	1.20%	3530800	33.16%	10647200
07.07.1998	open Market	JIL	10700	0.10%	1.30%	3541500	33.26%	10647200
14.07.1998	open Market	JIL	6900	0.06%	1.37%	3548400	33.33%	10647200
21.07.1998	open Market	JIL	3300	0.03%	1.40%	3551700	33.36%	10647200
28.07.1998	open Market	JIL	7700	0.07%	1.47%	3559400	33.43%	10647200
01.08.1998	open Market	JIL	4200	0.04%	1.51%	3563600	33.47%	10647200
03.08.1998	open Market	JIL	1800	0.02%	1.53%	3565400	33.49%	10647200
06.08.1998	open Market	JIL	1400	0.01%	1.54%	3566800	33.50%	10647200
08.08.1998	open Market	JIL	3200	0.03%	1.57%	3570000	33.53%	10647200
17.08.1998	open Market	JIL	2300	0.02%	1.59%	3572300	33.55%	10647200
31.08.1998	open Market	JIL	200	0.00%	1.59%	3572500	33.55%	10647200
06.10.1998	open Market	JIL	1100	0.01%	1.60%	3573600	33.56%	10647200
14.11.1998	open Market	JIL	19400	0.18%	1.79%	3593000	33.75%	10647200
04.12.1998	open Market	JIL	10300	0.10%	1.88%	3603300	33.84%	10647200
10.12.1998	open Market	JIL	5300	0.05%	1.93%	3608600	33.89%	10647200
17.12.1998	open Market	JIL	1700	0.02%	1.95%	3610300	33.91%	10647200
08.01.1999	open Market	JIL	4200	0.04%	1.99%	3614500	33.95%	10647200
09.01.1999	open Market	JIL	800	0.01%	2.00%	3615300	33.96%	10647200
22.01.1999	open Market	JIL	6300	0.06%	2.06%	3621600	34.01%	10647200
25.01.1999	open Market	JIL	9900	0.09%	2.15%	3631500	34.11%	10647200
10.02.1999	open Market	JIL	8200	0.08%	2.22%	3639700	34.18%	10647200
19.02.1999	open Market	JIL	22700	0.21%	2.44%	3662400	34.40%	10647200
01.03.1999	open Market	JIL	600	0.01%	2.44%	3663000	34.40%	10647200
31.03.1999	**Closing**	**Promoters**				**3663000**	**34.40%**	**10647200**
	open Market	JIL	526900	4.95%		4189900	39.35%	10647200
31.03.2000	**Closing**	**Promoters**				**4189900**	**39.35%**	**10647200**
	open Market	JIL	80000	0.75%		4269900	40.10%	10647200
31.03.2001	**Closing**	**Promoters**				**4269900**	**40.10%**	**10647200**
	During the year	Promoters	-	-		4269900	40.10%	10647200

31.03.2002	**Closing**	**Promoters**				4269900	40.10%	10647200
	open Market	JIL	300	0.00%		4270200	40.11%	10647200
31.03.2003	**Closing**	**Promoters**				**4270200**	**40.11%**	**10647200**
	During the year	Promoters	-	-		4270200	40.11%	10647200
31.03.2004	**Closing**	**Promoters**				**4270200**	**40.11%**	**10647200**
	open Market	JIL	100	0.00%		4270300	40.11%	10647200
31.03.2005	**Closing**	**Promoters**				**4270300**	**40.11%**	**10647200**
12.09.2005	TRANSFER FROM OFFSHORE FINANCE AND INVESTMENT PVT. LTD.	Mr. J. P. Gupta	282329	2.65%		4552629	42.76%	10647200
12.09.2005	TRANSFER FROM OFFSHORE FINANCE AND INVESTMENT PVT. LTD.	Ms. Ravinder Hora	14240	0.13%		4566869	42.89%	10647200
12.09.2005	TRANSFER FROM OFFSHORE FINANCE AND INVESTMENT PVT. LTD.	Mr. Pradeep Gupta	34731	0.33%		4601600	43.22%	10647200
22.10.2005	open Market	JIL	100000	0.94%		4701600	44.16%	10647200
30.11.2005	open Market	JIL	50126	0.47%		4751726	44.63%	10647200
06.12.2005	open Market	JIL	13883	0.13%		4765609	44.76%	10647200
29.12.2005	open Market	JIL	47817	0.45%		4813426	45.21%	10647200
31.03.2006	**Closing**	**Promoters**				**4813426**	**45.21%**	**10647200**
	During the year	Promoters	-	-		4813426	45.21%	10647200
31.03.2007	**Closing**	**Promoters**				**4813426**	**45.21%**	**10647200**
09.10.2007	open Market	JIL	850	0.01%		4814276	45.22%	10647200
29.11.2007	conversion of share warrants into equity shares	JIL	9521780	47.21%	47.21%	14336056	71.08%	20168980

Notes:
(1) There has been no selling of shares of the Target Company by the Acquirer and PACs.
(2) The present Open Offer is triggered due to the conversion of 95,21,780 share warrants into equity shares on 29.11.2007.

4.1.13 Significant Accounting Policies for the year ended 31st March, 2007.

A. Accounting Convention:-

The accounts are prepared on accrual basis under the historical cost Convention.

B. Revenue Recognition:-

Revenue represents the vale of services / products supplied.

C. Expenditure:-

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

D. Fixed Assets and Depreciation:-

Fixed Assets are stated at cost of acquisition or revaluation less depreciation determined on a Straight Line basis at the rates prescribed under the Companies Act, 1956.

E. Investment:-

Investments are held on a long term basis and are stated at cost.

F. Inventories / Stores and Spares:-

Inventories / Stores and Spares are valued at cost.

G. Retirement Benefits to Employees:-

(i) Contributions to provident fund is accounted on accrual basis.

(ii) The provision for gratuity has been provided for on an arithmetical basis for eligible employees as per payment of Gratuity Act, 1972.

(iii) Leave encashment is accounted for on payment basis.

H. Goodwill

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

4.1.14 There is no change in Accounting Policies during last three financial periods.

4.1.15 JIL is the promoter of following companies:

(i) **JAL**

Date of Incorporation	3rd January, 1994
Nature of Business	Refer 7.2
Equity Capital (Rs. in lakhs) (as on 30th Sept, 2007)	1064.72
Reserves (excluding revaluation reserves) (Rs. in lakhs) (as on 30th Sept, 07)	133.10
Total Income (Rs. in lakhs) (as on 30th Sept, 2007)	864.48
Profit After Tax (PAT) (Rs. in lakhs) (as on 30th Sept, 2007)	(47.07)
Earning Per Share (EPS)	0.00
Net Asset Value (NAV)	558.10

(ii) **Gagar Holdings Limited**

Date of Incorporation	16th April, 1982
Nature of Business	Refer 4.2.5
Equity Capital (Rs. in lakhs) (as on 31st March, 2007)	14.62
Reserves (excluding revaluation reserves) (Rs. in lakhs) (as on 31st March, 2007)	(1.31)
Total Income (Rs. in lakhs) (as on 31st March, 2007)	Nil
Profit After Tax (PAT) (Rs. in lakhs) (as on 31st March, 2007)	(1.23)
Earning Per Share (EPS)	(0.84)
Net Asset Value (NAV)	13.32

(iii) **Gaurav Portfolio Private Limited**

Date of Incorporation	13th June, 1986
Nature of Business	Refer 4.2.4
Equity Capital (Rs. in lakhs) (as on 31st March, 2007)	14.00
Reserves (excluding revaluation reserves) (Rs. in lakhs) (as on 31st March, 2007)	Nil
Total Income (Rs. in lakhs) (as on 31st March, 2007)	Nil
Profit After Tax (PAT) (Rs. in lakhs) (as on 31st March, 2007)	(2.15)
Earning Per Share (EPS)	(1.53)
Net Asset Value (NAV)	(5.82)

None of the above companies is a sick industrial company.

4.1.16 The Acquirer at present has no intention to sell, dispose of or otherwise encumber any significant assets of JAL in the succeeding two years, except in the ordinary course of business of JAL. JAL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the prior approval of the shareholders at a General Body Meeting of JAL where necessary.

4.1.17 The Acquirer does not intend to make any changes in the Board of Directors of the Target Company.

4.1.18 The Acquirer has not acquired any shares of the Target Company during 12 months period preceding the date of PA including any acquisition through Open Offer except 850 Equity Shares from the open market and 95,21,780 Shares Warrants acquired through the Preferential Allotment. Such Share Warrants have since been converted into 95,21,780 Equity Shares and the Target Company has issued these Equity Shares to the Acquirer on 29th November, 2007.

4.1.19 **Mr. J. P. Gupta and Ms. Ravinder Hora,** directors of the Target Company represent the interest of the Acquirer as they are also directors of the Acquirer and **Mr. Pradeep Gupta** being the son of Mr. J. P. Gupta is an insider. They have abstained themselves and are not participating in any matter(s) concerning or relating to the offer including any preparatory steps leading to the Offer. There is no other person representing the Acquirer.

4.2 Background of the PACs

4.2.1 Mr. J. P. Gupta

4.2.1.1 Mr. J. P. Gupta, aged 64 years, is the son of Late Shri Mange Lal Gupta and is residing at B - 2/11, Safdarjung Enclave, New Delhi-110029, Phone no. 011-23721593, Fax: 011-23324693.

4.2.1.2 Mr. J.P. Gupta is the father of Mr. Pradeep Gupta, one of the PACs. Mr. J. P. Gupta does not have any relation with other PACs. He is the Chairman and Managing director of Jagson Airlines Limited. He has an experience of over 20 years. His areas of business include Aviation & Airlines Industry, drilling, off shore and on-shore for petroleum, sell petroleum, own, hire, operate rigs, ships, etc.

4.2.1.3 As per the declaration received from Mr. J. P. Gupta, he holds the position of Director in the following listed company:

Name of the Company	Designation	Listed At
Jagson Airlines Limited	Managing Director	BSE and DSE

4.2.1.4 Mr. J. P. Gupta holds 4,24,729 Equity shares of the Target Company as on the date of Public Announcement. He has acquired shares of the Target Company from time to time as per details mentioned under clause 4.1.12 of this LOO. Due to this acquisition of shares his shareholding has increased from 1,39,900 shares aggregating to 1.31% to 4,24,729 shares aggregating to 3.99%. Mr. J. P. Gupta has not made any acquisition earlier in the Target Company through Open Offer(s).

4.2.1.5 Mr. J. P. Gupta is having a Net Worth of Rs. 38,87,19,382 as certified by Bhuvi Kant and Associates, Chartered Accountants (Membership Number- 91415), having office at C-35, Sector 47, Noida vide a certificate dated 19th February, 2008.

4.2.2 Mr. Pradeep Gupta

4.2.2.1 Mr. Pradeep Gupta**,** aged 35 years, is the son of Mr. J. P. Gupta and is residing at B - 2/11, Safdarjung Enclave, New Delhi-110029, Phone no. 011-23323949, Fax: 011-30425298.

.

4.2.2.2 Mr. Pradeep Gupta is the son of Mr. J. P. Gupta, one of the PACs. Mr. Pradeep Gupta does not have any relation with other PACs. He has an experience of over 15 years in area of offshore drilling and exploration of oil & gas.

4.2.2.3 As per the declaration received from Mr. Pradeep Gupta, he does not hold the position of director in any listed company.

4.2.2.4 Mr. Pradeep Gupta holds 34,831 Equity shares of the Target Company as on the date of Public Announcement. He has acquired shares of the Target Company from time to time as per details mentioned under clause 4.1.12 of this LOO. Due to this acquisition of shares his shareholding has increased from 100 shares aggregating to 0.00% to 34,831 shares aggregating to 0.33%. Mr. Pradeep Gupta has not made any acquisition earlier in the Target Company through Open Offer(s).

4.2.2.5 Mr. Pradeep Gupta is having a Net Worth of Rs. 3,09,24,950 as certified by Bhuvi Kant and Associates, Chartered Accountants (Membership Number- 91415), having office at C-35, Sector 47, Noida vide a certificate dated 19th February, 2008.

4.2.3 Ms. Ravinder Hora

4.2.3.1 Ms. Ravinder Hora**,** aged 51 years, is the daughter of Mr. I. S. Hora and is residing at K - 48, Jungpura Extension, New Delhi-110014, Phone no. 011-23328580, Fax: 011-23355298.

4.2.3.2 Ms. Ravinder Hora does not have any relation with any PACs. Ms. Ravinder Hora is director of Jagson Airlines Limited. She has an experience of over 30 years in the field of oil exploration.

4.2.3.3 As per the declaration received from Ms. Ravinder Hora, she holds the position of Director in the following listed company:

Name of the Company	Designation	Listed At
Jagson Airlines Limited	Director	BSE and DSE

4.2.3.4 Ms. Ravinder Hora holds 14,340 Equity shares of the Target Company as on the date of Public Announcement. She has acquired shares of the Target Company from time to time as per details mentioned under clause 4.1.12 of this LOO. Due to this acquisition of shares her shareholding has increased from 100 shares aggregating to 0.00% to 14,340 shares aggregating to 0.13%. Ms. Ravinder Hora has not made any acquisition earlier in the Target Company through Open Offer(s).

4.2.3.5 Ms. Ravinder Hora is having a Net Worth of Rs. 2,05,26,554.31 as certified by Singhal Associates, Chartered Accountants (Membership Number- 80631), having office at 4546/16, Darya Ganj, New Delhi-110002 vide a certificate dated 19th February, 2008.

4.2.4 Gaurav Portfolio Private Limited

Gaurav Portfolio Private Limited is one of the subsidiaries of the Acquirer. It was incorporated on 13th June, 1986 with the main object to carry on the business of a leasing and hire purchase company and to acquire or to provide on lease or to be provided on hire purchase basis all types of industrial and office equipments. The Registered office of the Company is at 3rd Floor, Flat No. 3-H, Vandana Building, 11, Tolstoy Marg, New Delhi-110001, Phone no. 011-23721593, Fax: 91-11-23324693. Gaurav Portfolio Private Limited does not hold any shares in the Target Company.

The Board of Directors comprises of:

i. Mr. Sardar Singh Mudgal
ii. Mr. J. P. Goel
iii. Mr. Sunil Arora

4.2.5 Gagar Holdings Limited

Gagar Holdings Limited is another subsidiary of the Acquirer incorporated on 16th April, 1982 with the main object to invest, buy, sell, transfer, hypothecate, deal in and dispose of any shares, stock, debentures, whether perpetual or redeemable debenture, debenture stock, securities, properties of any other company including securities, of any Government, Local Authority, bonds and certificate. The Registered office of the Company is at 3rd Floor, Flat No. 3-F, Vandana Building, 11, Tolstoy Marg, New Delhi-110001, Phone no. 011-23730685, Fax: 91-11-23355298. Gagar Holdings Limited does not hold any shares in the Target Company.

The Board of Directors comprises of:

i. Mr. Sardar Singh Mudgal
ii. Mr. J. P. Goel
iii. Mr. Sunil Arora

5. FUTURE PLANS AND STRATEGY OF THE ACQUIRER

The pre-preferential share capital of the Target Company was Rs. 10,64,72,000 consisting of 1,06,47,200 shares of Rs. 10/- each. The Target Company i.e. Jagson Airlines Limited wanted to obtain a license of regional airline for which minimum share capital requirement was of Rs. 20 crores. Therefore, the Acquirer i.e. Jagson International Limited (one of the promoters of the Target Company) was allotted 95,21,780 share warrants which were converted in to 95,21,780 equity shares as per the Guidelines of Preferential Issue. Consequently, the shareholding of the Acquirer i.e. JIL increased from 40.77% to 68.73% and the share capital of the Target Company was increased to Rs. 20,16,89,780. Now, the Takeover Code was triggered due to this enhancement and therefore as per Regulation 11(2) pertaining to consolidation of holdings of the SEBI (SAST) Regulations, 1997 this Open Offer of 40,33,796 Equity shares i.e. 20% of the expanded capital of the Target Company is being made. The Target Company has already received a NOC letter from Department of Civil Aviation for regional airlines in North India and now they are planning to increase flights.

The Acquirer at present has no intention to sell, dispose of or otherwise encumber any significant assets of JAL in the succeeding two years, except in the ordinary course of business of JAL. JAL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the prior approval of the shareholders at a General Body Meeting of JAL where necessary.

6. COMPLIANCE WITH LISTING AGREEMENT UNDER REGULATION 21

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the listing agreement entered with the Stock Exchange for the purpose of listing on continuous basis. The Acquirer, in terms of the provisions of Clause 40A of the Listing Agreement, will facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing within the time period specified therein. Accordingly, the Acquirer undertakes to comply with the provisions of Clause 40A (viii) (c) or (d) of the Listing Agreement in consultation with the stock exchange so as to maintain the minimum percentage of public shareholding in the Target Company required for continuous listing. The Acquirer has no intention to delist the Target Company in the next 3 years.

7. BACKGROUND OF THE TARGET COMPANY

7.1 The Target Company i.e. Jagson Airlines Limited, was incorporated on 3rd January, 1994 with the Registrar of Companies, NCT of Delhi and Haryana, as a Public Limited Company (Company Registration No. 019011 and CIN No. L63040HP1994PLC019011)) and got Certificate of Commencement of Business on 13th January, 1994. Subsequently, the Registered office of the Target Company was changed from the NCT of Delhi to the State of Himachal Pradesh. At present, the Company has its Registered Office at 18B, S.D.A. Complex Kasumpti, Shimla, Himachal Pradesh – 171 009, Tel: 0177-2625177 Fax: 0177-2625177.

7.2 The Target Company has been engaged in the business of Airlines operators for transporting passengers, mail cargo, and / or freight to serve Indian Traveling Public and International Tourist Traffic. Jagson Airlines Limited is an Airlines Company, which is a part of service industry. JAL is not a manufacturing Company. Locations of JAL at present are as follows:

Registered Office: 18 B, SDA Complex, Kasumpti, Shimla, Himachal Pradesh - 171009.

Head Office: 12E, Vandana Building, 11, Tolstoy Marg, New Delhi-110001

Mumbai: Porta Cabin, Near Indamer, Hanger Co. Pvt. Ltd. Juhu Airport(ATC), Vileparle (W), Mumbai-400054.

Kullu City: Opp. Airport Bhunter, Kullu City.

Manali: Opp. Nehru Park, The Mall, Manali.

Dharamshala: Kangra Airport, Gaggal, Dharamshala.

Itanagar: JAL C/o Ladam Gango, A Sector Helipad Road, Infront of Nahar Lagoon Helipad, Nahar Lagoon, Itanagar-791110.

Pant Nagar: JAL, Pant Nagar Airport, Udham Singh Nagar, Uttrakhand-263145.

Shirdi: Shirdi Helipad, Kharat Vasti, Nimgaon, Shirdi, Taluka-Rahata, District- Aehmadnager- 255744.

7.3 The Authorised Share Capital of the Target Company as on the date of PA is Rs. 50,00,00,000/- (Rupees Fifty Crores only) comprising of 5,00,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each and the Paid up Share Capital is Rs. 10,64,72,000/- (Rupees Ten Crores Sixty Four Lakhs and Seventy Two Thousand only) comprising of 1,06,47,200 equity shares of Rs. 10/- each. Now, after the conversion of share warrants into equity shares on 29th November, 2007, the post conversion paid up share capital of the Target Company is Rs. 20,16,89,800/- (Rupees Twenty Crores Sixteen Lakhs Eighty Nine Thousand and Eight Hundred Only).

7.4 As on the date of PA, the Share Capital Structure of the Target Company is as under:

Paid up Equity Shares of JAL	No. of Equity shares / voting rights	% of Shares / voting rights
Fully paid up equity shares	1,06,47,200	100
Partly paid up equity shares	NIL	NIL
Total paid up equity shares	1,06,47,200	100
Total voting rights in Target Company	1,06,47,200	100

But after the conversion of 95,21,780 Share Warrants into equity shares on 29th November, 2007, the Share Capital Structure of the Target Company is as follows:

Post Conversion Paid up Equity Shares of JAL	No. of Equity shares / voting rights	% of Shares / voting rights
Fully paid up equity shares	2,01,68,980	100
Partly paid up equity shares	NIL	NIL
Total paid up equity shares	2,01,68,980	100
Total voting rights in Target Company	2,01,68,980	100

7.5 The Current Capital Structure of the Target Company has been built up since inception as under:

Date of Allotment	No. of shares issued	Cumulative paid up capital (in Rs.)	Mode of allotment	Identity of allottees (promoters / ex-promoters / others)	Status of compliance
14-03-94	700	7000	Incorporation	Promoters	Complied
23-12-94	10646500	106465000	Public Issue	Public/Promoters	Complied

7.6 There are no preference shares or outstanding convertible instruments as the outstanding 95,21,780 Share Warrants have been converted into equity shares on 29th November, 2007.

7.7 There are no partly paid up shares in the Target Company.

7.8 The equity shares of the Target Company are presently listed on BSE and DSE. The trading of shares of the Target Company has not been suspended by any stock exchange where the shares of the Target Company are listed.

7.9 As per the declaration received, the Target Company has been complying with the provisions of the Listing Agreement entered with the Stock Exchanges where its shares are listed. Further, no punitive action has been taken against the Target Company by such Stock Exchanges.

7.10 JAL, its promoters and major shareholders have not complied timely with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and SEBI may take an appropriate action in this regard for all Non-Compliances of Chapter II of SEBI (SAST) Regulations, 1997.

7.11 The composition of the Board of Directors of JAL as on the date of Public Announcement is as follows:-

Sr. No.	Name of the Director	Designation	Age	Qualification and Nature of Experience	Residential Address	Date of Appointment	Other Directorships
1.	Mr. J. P. Gupta	Chairman cum Managing Director	64	Graduate. An experienced entrepreneur with over 20 years of business experience in the business of oil exploration drilling, and Airlines. He is the main promoter of Jagson Airlines Limited and Jagson International Limited	B-2/11, Safdarjung Enclave, New Delhi-110029	03/01/1994	Jagson International Limited
2.	Ms. Ravinder Hora	Director	51	Post Graduate with experience of over 30 years in the field of oil exploration and is associated with JIL since 1988 and JAL since 1994	K-48, Jangpura Extension, New Delhi-110014	03/01/1994	Jagson International Limited
3.	Mr. Sardar Singh Mudgal	Director	53	Graduate with an experience of over 30 years in the field of oil exploration and is associated with JAL since 1998.	47-A, DDA Flats,LIG Madipur, New Delhi-110063	02/01/1998	1. Gagar Holdings Limited 2. Gaurav Portfolio Private Limited
4.	Mr. Bhuvi Kant	Director	46	Chartered Accountant having an experience of over 20 years	C-35, Sector-47, Noida, UP-201307	30/01/2001	NIL

As on the date of PA, Mr. J. P. Gupta and Ms. Ravinder Hora, also on the Board of the Target Company, represent the Acquirer.

7.12 There has been no merger / de-merger / spin-off during the past three years in JAL.

7.13 The brief audited financials of JAL are as under:-

(Rs. in Lakhs)

Profit & Loss Statement	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**	**As on 30.09.2007 (Unaudited)**
Income from Operations	588.17	912.05	2010.09	784.49
Other income	78.58	68.93	97.39	79.99
Total Income	666.75	980.98	2107.48	864.48
Total Expenditure	530.87	894.42	2004.69	781.92
Profit Before Depreciation, Interest & Tax	135.88	86.56	102.79	82.56
Depreciation	37.21	41.96	221.88	128
Interest	2.18	2.76	9.08	1.63
Profit Before Tax	96.49	41.84	(128.17)	(47.07)
Provision for Tax	10.93	8.44	423.51	0
Profit after Tax	85.56	33.40	(551.68)	(47.07)

(Rs. in Lakhs)

Balance Sheet Statement	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (Audited)	As on 30.09.2007 (Unaudited)
Sources of Funds				
Paid up Share Capital	1064.72	1064.72	1064.72	1064.72
Reserves & Surplus (excluding Revaluation Reserves)	99.70	133.10	133.10	133.10
Net worth	1164.42	1197.82	1197.82	1197.82
Secured Loans	50.37	50.70	1992.12	1781.31
Unsecured Loans	0.00	0.00	0.00	0.00
Deferred Current Liabilities	57.92	61.02	477.97	477.97
Total	1272.71	1309.54	3667.91	3457.10
Uses of Funds				
Net Fixed Assets	582.10	858.80	4174.78	4503.92
Investments	363.49	187.06	187.06	2.06
Net Current Assets	284.52	232.06	(1764.56)	(2166.57)
Total Miscellaneous Expenditure not written off	42.59	31.62	518.94	518.94
Profit and Loss Account	0.00	0.00	551.68	598.75
Total	**1272.71**	**1309.54**	**3667.91**	**3457.10**

Other Financial Data	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (Audited)	As on 30.09.2007 (Unaudited)
Dividend (%)	0.00	0.00	0.00	0.00
Earning Per Share	0.80	0.31	0.00	0.00
Return on Net Worth	7.35	2.79	0.00	0.00
Book Value Per Share	11.08	11.53	5.68	5.24

Source: Certificate of Statutory Auditors and Annual Report.

Formula: - Return on Net Worth = (Profit after Tax / Net Worth) * 100; Book value of shares = Net Worth / Number of equity shares issued; EPS = Profit after Tax / Number of equity shares issued.

The Target Company is a not a Sick Industrial Undertaking.

7.14 Reasons for Rise / Fall in Profit during the relevant years:

From period 31.3.2007 to 30.09.2007: During this period, the company's loss is less due to the reason that no provision for Deferred Tax has been taken till this period.

For the year ended 31.03.2007: During the year under review, provision for Deferred Tax has been taken for Rs. 423.51 Lakhs, so the loss during this year has increased to Rs. 551.68 Lakhs.

For the year ended 31.03.2006: As compared to year 2005 the profit after tax has reduced to Rs. 33.40 Lakhs because in year 2005 there was profit on sale of Investment of Rs. 54.00 Lakhs and in this year there is no such profit, therefore in this year the profit is less.

For the year 31.03.2005: During the year under review, the profit was increased as compared to year 2004 because of the profit on sale of investment of Rs. 54.00 Lakhs

7.15 Pre- and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr. No.	Category	Shareholding & voting rights prior to preferential allotment		Conversion of Preferential Warrants into Equity Shares which triggered off the regulations		Shareholding / voting rights to be acquired in Offer (assuming full acceptance)		Shareholding / voting rights after Offer (after conversion of share warrants)	
		(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
		No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1)	**Promoter group**								
	Promoters other than Acquirer (PACs) #	4,73,900	4.45	Nil	Nil	Nil	Nil	4,73,900	2.35
(2)	**Acquirer** Jagson International Limited	43,40,376	40.77	95,21,780	47.21	40,33,796	20	1,78,95,952	88.73
	Total (1) + (2)	**48,14,276**	**45.22**	**95,21,780**	**47.21**	**40,33,796**	**20**	**1,83,69,852**	**91.08**
(3)	**Parties to agreement other than (1) (a) & (2)**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A	N.A.	N.A.
(4)	**Public (other than parties to agreement, Acquirer & PACs)** a. FIs / MFs / FIIs / Banks, SFIs b. Private Corporate bodies c. Indian Public d. NRI/OCB e. Any other (Clearing Members)	Nil 7,36,096 46,24,684 4,00,619 71,525	Nil 6.91 43.44 3.76 0.67	Nil Nil Nil Nil Nil	Nil Nil Nil Nil Nil	(40,33,796)	(20)	17,99,128	8.92
	Total (4)(a+b+c+d+e)	**58,32,924**	**54.78**	Nil	Nil				
	GRAND TOTAL (1+2+3+4)	**10647200^**	**100^**	**95,21,780**	**47.21**	**Nil**	**Nil**	**20168980***	**100***

There are no other promoters except the Acquirer and PACs. The shareholding of PACs i.e. of Mr. J. P. Gupta is of 4,24,729 shares, Mr. Pradeep Gupta is of 34,831 shares and Ms. Ravinder Hora is of 14,340 shares aggregating to 4,73,900 shares of PACs in the Target Company. Other PACs i.e. Gaurav Portfolio Private Limited and Gagar Holdings Limited do not hold any shares in the Target Company. PACs are not eligible to participate in the Offer.

^ Percentage shareholding and total capital on the basis of pre-preferential paid up capital of the Target Company.

***** Percentage shareholding and total capital on the basis of post-preferential paid up capital of the Target Company.

7.16 The approximate number of shareholders of JAL in public category is 15,429 as on PA date which includes 521 Non-Resident shareholders.

7.17 The Target Company has complied with the conditions of Corporate Governance as envisaged under Clause 49 of the Listing Agreement. Statutory Auditors of the Company have certified compliance of conditions of Corporate Governance. This certificate is attached with annual report of the Target Company for the year ended 31st March, 2007.

7.18 The changes in the shareholding of the promoters of the Target Company are as per the details mentioned below:

For the Financial Year Ended	No. of shares	Percentage (%)
31.03.1998	3402800	31.96%
31.03.1999	3663000	34.40%
31.03.2000	4189900	39.35%
31.03.2001	4269900	40.10%
31.03.2002	4269900	40.10%
31.03.2003	4270200	40.11%
31.03.2004	4270200	40.11%
31.03.2005	4270300	40.11%
31.03.2006	4813426	45.21%
31.03.2007	4813426	45.21%

7.19 As per the information received from the Target Company, the following litigation matters have been filed by the Target Company against the following parties:

Sr. No.	Name of the Party	Matter	Forum / Court where pending	Amount (Rs. Lakhs)	Status
1.	Bannari Amman Exports & Anr.	Petition for setting aside arbitration award for recovery of charges for storage facility provided by the company	Delhi High Court	100.00	Case is pending in Delhi High Court
2.	Premium International Finance Ltd.	Suit for recovery of Rs. 50.00 Lakhs	Delhi High Court	50.00	Case is pending in Delhi High Court

And the following litigation matters are pending against the Target Company:

Sr. No.	Name of the Party	Matter	Forum / Court where pending	Amount (Rs. Lakhs)	Status
1.	M/s. Khosla	Suit for possession and recovery of rent in respect of Flat at 12th floor Vandana Building, Tolstoy Marg, New Delhi – 110001	Delhi High Court	5.00	Case is pending in Delhi High Court
2.	Airport Authority of India	Civil Misc. (M) under article 227 of the constitution of India. Seeking Appropriate Direction/ quashing of the order of Addl. Sr. Civil Judge	Delhi High Court	200.00	Case was decided in favour of the company in the lower court and AAI filed appeal against this order in Delhi High Court and appeal is pending for disposal

7.20 Mr. Ram Pravesh, Company Secretary of JAL is also its Compliance Officer, his correspondence address is 3rd Floor, Vandana Building, 11, Tolstoy Marg, New Delhi-110001, Phone No. 23353419, Fax No: 23355298.

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

8.1.1 As on the date of PA, the equity shares of the Target Company are listed on Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange Limited (DSE). The trading of shares of the Target Company have not been suspended by any of the said stock exchanges.

8.1.2 The annualised trading turnover of the Target Company during the preceding six calendar months ended October, 2007 in the following Stock Exchanges, where the shares of the Target Company are listed, is as follows:

Name of the Stock Exchange	Total no. of shares traded during the 6 calendar months prior to the month in which PA was made (i.e. during May, 2007 to October, 2007)	Total no. of listed shares	Annualized trading turnover (in terms of % to total listed shares)
BSE	35,96,386	1,06,47,200	67.56%
DSE	NIL	1,06,47,200	NIL

(Source: www.bseindia.com)

8.1.3 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares on BSE, the equity shares are deemed to be frequently traded on BSE as per the data available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997. As the annualized trading turnover is Nil on DSE, the equity shares are deemed to be infrequently traded on DSE.

8.1.4 Pricing for Open Offer of Jagson Airlines Limited (the Target Company) under Regulations 20(4), 20(5) and 20(11) (ii) of SEBI (SAST) Regulations, 1997

A	Negotiated price under the agreement	**N.A**
B	Highest price paid by the Acquirer for acquisition , including by way of allotment in a public or rights or preferential issue during the 26 weeks period prior to the date of PA (i.e. Friday, 23rd November, 2007)	**Rs. 20.11**
C	The average of weekly high and low of closing prices of the shares during 26 weeks period preceding the Board meeting Date (i.e. 28th April, 2007)	**Rs. 20.00**
D	The average of daily high and low of the price of the shares during 2 weeks period preceding the board meeting date (i.e. 28th April, 2007)	**Rs. 17.15**
E	**Other parameters (As per Audited Accounts of 31st March 2007)**	
	Book value per equity share	**5.68**
	Earning per equity shares	**0.00**
	Return on net worth	**0.00**
	Price earning ratio	**N.A**
	The average industry **(Airlines)** P/E for the sector in which (TC) operates	**0.00***

* JAL is operating in the Industry segment "Airlines" with an industry P/E of 0 (**Source**: Capital Line; **Industry**: Airlines)

8.1.5 Following are the average of the weekly high and low of the closing prices and volume data for 26 weeks ended on 23rd November, 2007 i.e. 26 weeks preceding the date of Public Announcement, at BSE, where the shares of the Target Company are most frequently traded.

No. of Week	Week Ended	Weekly High Closing (Rs.)	Weekly Low Closing (Rs.)	Average (Rs.)	Volume (No. of Shares Traded)
1	25.05.2007	18.65	18.00	18.33	79,956
2	01.06.2007	20.30	18.55	19.43	1,72,134
3	08.06.2007	20.60	18.85	19.73	3,33,541
4	15.06.2007	20.10	18.20	19.15	66,637
5	22.06.2007	20.50	18.70	19.60	85,135
6	29.06.2007	19.20	18.55	18.88	66,892
7	06.07.2007	19.00	18.40	18.70	48,292
8	13.07.2007	19.05	18.70	18.88	79,409
9	20.07.2007	20.40	18.45	19.43	2,19,011
10	27.07.2007	19.55	18.40	18.98	76,752
11	03.08.2007	18.40	17.95	18.18	60,915
12	10.08.2007	19.25	17.95	18.60	1,75,818
13	17.08.2007	19.50	18.45	18.98	45,757
14	24.08.2007	18.80	17.85	18.33	50,949
15	31.08.2007	19.10	18.00	18.55	36,986
16	07.09.2007	19.45	18.70	19.08	78,608
17	14.09.2007	19.70	18.90	19.30	92,673
18	21.09.2007	25.80	20.40	23.10	7,52,043
19	28.09.2007	23.85	21.80	22.83	1,46,409
20	05.10.2007	22.50	21.20	21.85	1,14,721
21	12.10.2007	22.50	20.35	21.43	3,17,168
22	19.10.2007	22.20	18.95	20.58	2,25,797
23	26.10.2007	20.65	18.80	19.73	81,811
24	02.11.2007	19.65	18.60	19.13	90,207
25	09.11.2007	19.55	18.65	19.10	93,847
26	16.11.2007	21.10	18.90	20.00	1,87,213
Total	**529.35**	**490.25**	**509.80**	**35,91,468**	
26 Weeks Average			**19.61**		

(Source: www.bseindia.com)

8.1.6 Following are the prices and volume data for 2 weeks ended on 23rd November, 2007 i.e. 2 weeks preceding the date of Public Announcement, at BSE, where the shares of the Target Company are most frequently traded.

Day	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	5.11.2007	20.00	18.50	19.25	21,685
2	6.11.2007	19.45	18.70	19.08	25,296
3	7.11.2007	20.35	18.35	19.35	23,581
4	8.11.2007	19.95	18.30	19.13	12,813
5	9.11.2007	22.40	19.10	20.75	10,472
6	12.11.2007	20.00	19.00	19.50	20,580

7	13.11.2007	20.00	19.25	19.63	19,167
8	14.11.2007	20.80	18.80	19.80	44,794
9	15.11.2007	20.00	19.00	19.50	39,818
10	16.11.2007	22.95	19.50	21.23	62,854
	Total	**102.15**	**92.95**	**197.20**	**2,81,060**
	2 Weeks Average			**19.72**	

(Source: www.bseindia.com)

8.1.7 In view of the above, the Offer Price of Rs. 20.11 per share offered by JIL to the shareholders of JAL under the proposed Offer is justified in terms of Regulation 20(4) and 20(5) read with explanation (ii) of Regulation 20(11) of SEBI (SAST) Regulations, 1997.

8.1.8 There is no non-compete agreement.

8.1.9 If the Acquirer acquires equity shares of the Target Company after the date of Public Announcement upto seven (7) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

8.2 Financial Arrangements

8.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 8,11,19,650/- (Rupees Eight Crores Eleven Lakhs Nineteen Thousand Six Hundred Fifty Only). By way of security for performance of its obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee (**"Bank Guarantee"**) dated 20th November, 2007 has been issued on behalf of the Acquirer in terms of Regulation 28 of the SEBI (SAST) Regulations, 1997 by State Bank of India, Trade Finance CPC, C Block, 7th Floor, 11, Parliament Street, New Delhi. The Guarantee issued in favour of the Manager to the Offer, is valid until 30th April, 2008 and is for a sum of Rs. 2,02,80,000 (Rupees Two Crores Two Lakhs Eighty Thousand Only) which is more than 25% of the value of the total consideration payable under the Open Offer (assuming full acceptances). In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirer has, *inter alia,* made a cash deposit (**"Security Deposit"**) of Rs. 8,11,200 (Rupees Eight Lakhs Eleven Thousand Two Hundred Only) (being more than 1% of the Maximum Consideration) in an escrow account with Kotak Mahindra Bank Ltd. (**"Escrow Account"**).

8.2.2 The Acquirer has adequate resources to meet the financial requirements of the Offer out of their internal resources. The Acquirer had already made full payment to JAL for the shares acquired after the conversion of 95,21,780 share warrants on 29th November, 2007, allotted under the preferential allotment, into equity shares.

8.2.3 Mr. Sanjay Mehra, Proprietor of Sanjay Kailash and Associates, Chartered Accountants (Membership Number-91866), having office at A-2/131, Rajouri Garden, New Delhi - 110027 Tel.: 25764974 has certified vide a certificate dated 9th October, 2007 that the Acquirer has adequate resources to meet the financial requirements of the Offer.

8.2.4 The Manager to the Offer has been duly authorised by the Acquirer to realize the value of the escrow account in terms of the SEBI (SAST) Regulations.

8.2.5 The Manager to the Offer based on the declaration received from Mr. Sanjay Mehra, Chartered Accountant confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations under the SEBI (SAST) Regulations, 1997.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 Persons eligible to participate in the Offer

9.1.1 Registered shareholders of Jagson Airlines Limited (other than Acquirer and PACs) and unregistered shareholders who own the equity shares of Jagson Airlines Limited at any time prior to the date of closure of the Offer.

9.1.2 95,21,780 Equity Shares allotted on 29th November, 2007 pursuant to the conversion of 95,21,780 Share Warrants allotted on preferential basis on 30th June, 2007 are under lock in period as per SEBI (DIP) Guidelines. Except these shares, at present, there are no other shares which are under any lock in period.

9.2 Statutory Approvals / Other Approvals Required for the Offer

9.2.1 The Offer is subject to the approval of Reserve Bank of India (RBI), if any, under the Foreign Exchange Management Act, 1999 for transfer of shares of the Company registered in India by a Non-Resident to a Person resident in India. It will only be applicable if any NRI will offer any shares in the Open Offer which is yet to open. There is no other RBI approval which is required by the Acquirer.

9.2.2 No approvals from Banks / Financial Institutions are required for making this Offer.

9.2.3 As on the date of Public Announcement, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.2.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997 will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirer for payment of consideration to the shareholders subject to the Acquirer agreeing to pay interest as directed by SEBI. Further, in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22(13) of SEBI (SAST) Regulations, 1997 will also become applicable.

9.2.5 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

9.3 Others

9.3.1 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

9.3.2 This Letter of Offer has been mailed to all the shareholders of JAL (other than Acquirer and PACs), whose names appeared on the Register of Members of JAL as on 17th December, 2007, being the Specified Date.

9.3.3 Unaccepted Shares / Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respective depository accounts or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

9.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

9.3.5 The Acquirer has provided an undertaking that they do not intend to delist the Target Company in the next 3 years.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1 The Offer is not subject to any minimum level of acceptance from shareholders and in case of the shares received under the Offer exceeding the Offer size, the Acquirer will accept shares on proportionate basis.

10.2 A Letter of Offer specifying the detailed terms and conditions of the Offer together with a Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding shares in physical form) will be mailed to the shareholders of JAL (other than Acquirer and PACs) whose names appear on the Register of Members of JAL and to the beneficial owners of the equity shares of JAL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on 17th December, 2007, (the "Specified Date"). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

10.3 All shareholders of the Target Company (other than Acquirer and PACs), who own equity shares at any time before the closure of the Open Offer, are eligible to participate in the Offer.

10.4 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's website: http://www.sebi.gov.in and can apply for the Offer in such downloaded form.

10.5 Beneficial owners and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post or courier, as the case may be, on Mondays to Fridays between **10.00 a.m.** to **1.00 p.m. & 2.00 p.m. to 5.00 p.m.** and on **Saturdays** between **10.00 a.m.** to **1.00 p.m.,** on or before the date of Closure of the Offer, i.e. **24th March, 2008:**

- Form of Acceptance duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with JAL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of JAL or on the Share Certificate issued by JAL) as per the specimen signature(s) lodged with JAL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereinafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

10.6 The Registrar to the Offer, RCMC Share Registry Private Limited has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving equity shares during the Offer from eligible shareholders who hold equity shares in demat form.

10.7 Beneficial owners and shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement and other documents to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between **10.00 a.m.** to **1.00 p.m. & 2.00 p.m. to 5.00 p.m.** and on **Saturdays** between **10.00 a.m.** to **1.00 p.m.,** on or before the date of Closure of the Offer, i.e. **24th March, 2008**, along with a photocopy of the delivery instructions in **"**Off market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of "RCMC A/c JAL - Open Offer Escrow A/c" ("Depository Escrow Account") filled in as per the instructions given below:

Depository	**National Securities Depository Limited**
Account Name	**RCMC A/c Jal-Open Offer Escrow A/c**
Depository Participant	**PNR Securities Limited.**
DPID	**IN301241**
Client ID	**10020338**

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter depository delivery instructions slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

10.8 In case of, (a) shareholders who have not received the LOO, (b) unregistered shareholders and, (c) owner of the equity shares who have sent the equity shares to the Target Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, address, number of equity shares held, distinctive numbers, folio numbers, number of shares Offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with JAL), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 pm upto the date of Closure of the Offer i.e. 24th March, 2008. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.9 The shareholders, who have not received the LOO and are holding equity shares in the dematerialised form, may send their consent to the Registrar to the Offer on plain paper, stating the name, address, number of shares held, Depository name, Depository ID, Client name, Client ID, number of equity shares Offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant so as to reach the Registrar to the Offer on or before 5.00 p.m. upto the date of closure of the Offer i.e. 24th March, 2008. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.10 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court should also be enclosed.

10.11 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 p.m. upto the date of Closure of the Offer, i.e. 24th March, 2008**,** else the application would be rejected.

10.12 In case the equity shares are held by a Company / Body Corporate, then a Certified True Copy of a valid Board Resolution giving authority and Certified True Copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

10.13 The following collection centre would be accepting the documents by Hand Delivery / Registered Post / Courier as specified above, both in case of shares in physical and dematerialised form.

Address of the Collection Centre	Contact Person	Phone / Fax / Email
RCMC Share Registry Pvt. Ltd B-106, Sector-2, Noida-201301	Mr. Rakesh Adhana	Tel: 0120-4015880 Fax: 0120-2444346 Email: shares@rcmcdelhi.com

Collection Timings for the location mentioned above will be 10.00 a.m. to 1.00 p.m. & 2.00 p.m. to 5.00 p.m. from Monday to Friday and 10.00 a.m. to 1.00 p.m. on Saturday

10.14 The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of JAL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

10.15 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach the Registrar to the Offer upto three working days prior to the date of Closure of the Offer, i.e. 24th March, 2008. The withdrawal can also be exercised by submitting an application on a plain paper, along with the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

10.16 The withdrawal option can be exercised by submitting the Form of Withdrawal along with a Copy of the Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

10.16.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

10.16.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of **"RCMC A/c Jal-Open Offer Escrow A/c"** ("Depository Escrow Account").

10.17 The withdrawal of Shares will be available only for the Share Certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

10.18 The Acquirer will acquire all the 40,33,796 fully paid-up equity shares tendered in the Offer with valid applications. However, if the aggregate of the valid response to the Offer exceeds the Offer size of 40,33,796 shares (representing 20% of the expanded voting Capital) then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

10.19 As per the provisions of Section 196D(2) of the Income Tax Act, 1961, and as amended (the "Income Tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115D of the Income Tax Act. However, while tendering their equity shares under the Offer, Non-Residents Individuals, Overseas Corporate Bodies and other Non- Resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit a copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target Company. In case of its non submission the Acquirer reserves its right to reject the shares tendered in the Offer.

11. METHODS OF SETTLEMENT

11.1 At present, the marketable lot of JAL is 1 (One) equity share.

11.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents and / or shares lying in the special depository account, tendered by the shareholders of JAL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfilment of all the conditions mentioned in the Letter of Offer and Form of Acceptance.

11.3 On fulfilment of all the conditions mentioned in the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of JAL whose equity shares are accepted by the Acquirer at his address registered with JAL. **It is desirable that shareholders holding shares in physical mode provide bank details of the first / sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque / demand draft. In case of shareholders holding shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque / demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

11.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholder(s)' / unregistered owner(s)' sole risk to the sole / first shareholder.

11.5 The Acquirer shall endeavor to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer i.e. by 8th April, 2008, including payment of consideration to the shareholders of JAL whose equity shares are accepted for purchase by the Acquirer.

11.6 In case of non-receipt of any of statutory approvals required as per Regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

12. GENERAL

12.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

12.2 None of the Acquirer or the Manager to the Offer or the Registrar to the Offer or the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), and copy of delivery instructions or other documents.

12.3 The Offer Price is denominated and payable in Indian Rupees only.

12.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

12.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, i.e. by 12th March, 2008, at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer (Regulation 27), the same would be informed by way of Public Announcement in the same newspapers wherein original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered anytime during the Offer.

12.6 **"If there is a competitive bid:**

12.6.1 The Public Offers under all the subsisting bids shall close on the same date.

12.6.2 As the Offer Price cannot be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly".

12.7 The Acquirer has not acquired any shares of the Target Company during 12 months period preceding the date of PA including any acquisition through Open Offer except 850 Equity Shares from the open market and 95,21,780 Share Warrants allotted on Preferential basis as per the details given in clause 3.1.3 of this Letter of Offer. Pursuant to the above acquisition the total holding of the Acquirer in the Target Company has increased from 43,40,376 equity shares representing 40.77% of the pre-preferential allotment to 1,38,62,156 equity shares representing 68.73% of the post-preferential paid-up share capital of JAL.

12.8 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach the Registrar to the Offer upto three working days prior to the date of closure of the Offer, i.e. by 18th March, 2008.

12.9 Alternatively, a copy of Public Announcement, Corrigendum to Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal can be obtained from SEBI's official website: http://www.sebi.gov.in.

12.10 The Manager to the Offer i.e. Mefcom Capital Markets Limited does not hold any shares in JAL as on the date of PA.

12.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of Offer i.e. 24th March, 2008 would be approved and the shares so offered would be accepted by the Acquirer free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

13. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 5th Floor, Sanchi Building, 77, Nehru Place, New Delhi-110019 from 10.30 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

13.1 Certificate of Incorporation, Memorandum & Articles of Association of JIL and JAL.

13.2 Certificate issued by Mr. Sanjay Mehra, Proprietor of Sanjay Kailash and Associates, Chartered Accountants, certifying firm arrangement of funds for fulfilment of Offer obligations.

13.3 Certificate issued by Chartered Accountants certifying Net Worth of PACs.

13.4 Audited Annual Reports of JAL and JIL for the years ended 31st March, 2005, 31st March, 2006 and, 31st March, 2007 and for the Half year ended 30th September, 2007.

13.5 Copy of Bank Guarantee with State Bank of India, New Delhi.

13.6 Copy of Agreement with Kotak Mahindra Bank Limited, New Delhi as well as copy of letter of Kotak Mahindra Bank Limited, New Delhi confirming that cash of Rs 8,11,200/- is kept in the escrow account.

13.7 Notice of AGM dated 26th May, 2007 and BSE in-principal approval letter dated 22nd June, 2007 for preferential allotment.

13.8 Published copy of the Public Announcement, which appeared in the newspapers on 23rd November, 2007

13.9 Published copy of the Public Announcement (Corrigendum), which appeared in the newspapers on 18th February, 2008.

13.10 Copy of agreement entered with DP for opening special depository account for the purpose of the Offer.

13.11 Copy of approval letter No.CFD/DCR/TO/SKM/117002/08 dated 13th February, 2008 from SEBI in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations, 1997.

14. DECLARATION BY THE ACQUIRER AND PACs

The Directors of Acquirer, i.e. M/s. Jagson International Limited, having its registered office at 5, Krishna Menon Lane, New Delhi – 110011, and PACs for this Offer accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer and PACs as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereto.

All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

For and on behalf of **Board of Directors of Jagson International Limited and PACs**

Sd/-
(Director)

Place: New Delhi
Date: 22nd February, 2008

15. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer Deed for Shareholders holding shares in Physical Form.

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
(All terms and conditions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

Jagson Airlines Limited - Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON:	**OFFER CLOSES ON:**
5th March, 2008 (Wednesday)	**24th March, 2008 (Monday)**

From

FOR OFFICE USE ONLY
Acceptance Number
Number of equity shares Offered
Number of equity shares accepted
Purchase consideration (Rs.)
Cheque/Demand Draft/Pay Order No.

Tel.: **Fax:** **E-mail:**

To
RCMC Share Registry Private Limited
B-106, Sector-2,
Noida-201301

Dear Sir,

Sub: Open Offer by Jagson International Limited ("the Acquirer" or "JIL") to the shareholders of Jagson Airlines Limited ("the Target Company" or "JAL") ("Offer") for acquisition of 40,33,796 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 20.11 (Rupees Twenty and Eleven Paise Only) per fully paid equity share, payable in cash

I/We refer to the Public Announcement dated 23rd November, 2007 & its Corrigendum dated 18th February, 2008 and the Letter of Offer dated 22nd February, 2008 for acquiring the equity shares held by me/us in Jagson Airlines Limited. I/We, the undersigned have read the aforementioned Public Announcement & its Corrigendum and Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

SHARES IN PHYSICAL FORM

I/We accept the Offer and enclose the original share certificate(s) and duly signed valid transfer deed(s) in respect of my/our equity shares as detailed below:

Number of equity shares held in JAL		**Number of equity shares offered**	
In figures	**In words**	**In figures**	**In words**

Sr. No.	**Ledger Folio No(s).**	**Certificate No(s).**	**Distinctive No(s).**		**No. of Shares**
			From	**To**	
1					
2					
3					
4					
5					
Total No. of Equity Shares					

(In case the space provided is inadequate, please attach a separate sheet with details)

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN DEMATERIALISED FORM

I/We, holding shares in the dematerialised form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below:

DP Name	**DP ID**	**Client ID**	**Beneficiary Name**	**No. of Shares**

I/We have executed an off-market transaction for crediting the shares to the special depository account i.e. "**RCMC A/c Jal-Open Offer Escrow A/c**"as per the details below:

☐ via a delivery instruction from my account with NSDL
☐ via an inter-depository delivery instruction from my account with CDSL

DP Name	**PNR Securities Limited**
DP ID Number	**IN301241**
Client ID	**10020338**
Depository	**National Securities Depository Limited**

I/We note and understand that the shares would lie in the special depository account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

— **Tear Here** —

Jagson Airlines Limited - Open Offer **Acknowledgement Slip**

Received from Mr. /Ms. /Mrs. _________________ residing at ____ ,
Form of Acceptance cum Acknowledgement for _____________ shares along with:
☐ copy of depository instruction slip from DP ID ____________ Client ID _______________
☐ ________ Share certificate(s) _____________ transfer deed(s) under folio number(s) ____________
for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:	Signature of Official:	Date of Receipt:

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate/ Certificate for Deduction of Tax at lower rate from Income Tax Authorities.

☐ RBI approvals for acquiring shares of Jagson Airlines Limited hereby tendered in the Offer.

I/We confirm that the equity shares of Jagson Airlines Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s)/shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post or courier as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my shares in dematerialised form, I authorize Acquirer and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirer to accept the shares so offered or such lesser number of shares that it may decide to accept in terms of the Letter of Offer and I/we authorize the Acquirer to split / consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder ____

Place: ________________
Date: ________________

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in electronic form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the cheque / demand draft will be issued with the said Bank particulars.

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	

The Form of Acceptance cum Acknowledgement along with all the relevant documents should be submitted at the collection centre below:-

Address of collection centre	Contact Person	Telephone Number	Fax Number	Mode of Delivery
RCMC Share Registry Pvt. Ltd. B-106, Sector-2, Noida-201301	Mr. Rakesh Adhana	0120-4015880	0120-2444346	Hand Delivery / Registered Post

Collection Timings for the location mentioned above will be 10.00 a.m. to 1.00 p.m. & 2.00 p.m. to 5.00 p.m. from Monday to Friday and 10.00 a. m. to 1.00 p.m. on Saturday.

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER

(1) The Form of Acceptance should be filled-up in English only.

(2) Signature other than in English, Hindi and thumb expressions must be attested by a Notary Public under his Official Seal.

(3) All queries pertaining to this Offer may be directed to the Registrar to the Offer.

(4) Shareholders holding registered shares should submit the Form duly completed and signed in accordance by the holders of the shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.

(5) Shareholders holding shares in dematerialised form should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the shares, as per the records of the Depository Participant ("DP").

(6) In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(7) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(8) Persons who own shares (as on the Specified Date or otherwise) but are not the registered holders of such shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers' details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgement with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or courier or in person to the Registrar to the Offer at their office as mentioned above.

The sole/first holder should also mention particulars relating to savings / current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to the Offer to print the said details in the cheques after the name of the payee.

(9) Non-resident Shareholders should enclose copy(ies) of permission received from Reserve Bank of India to acquire shares held by them in the Target Company.

(10) Non-resident shareholders are advised to refer to the clause on taxation in clause 10.19 of the Letter of Offer regarding important disclosures relating to taxation of the consideration to be received by them.

(11) In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The stamp of the Company should also be affixed.

(12) All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

(a) Duly attested death certificate and succession certificate, in case the original shareholder has expired.

(b) Duly attested power of attorney, if any person apart from the shareholder has signed acceptance form or transfer deed(s).

(c) No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)
Please read the instructions in the Letter of Offer and overleaf before filling-in this Form of Withdrawal

Jagson Airlines Limited - Open Offer

OFFER OPENS ON: 5th March, 2008 (Wednesday)	LAST DATE OF WITHDRAWAL: 18th March, 2008 (Tuesday)	OFFER CLOSES ON: 24th March, 2008 (Monday)

From

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares Offered
Number of equity shares withdrawn

Tel.: **Fax:** **E-mail:**

To
RCMC Share Registry Private Limited
B-106, Sector-2,
Noida-201301

Dear Sir,

Sub: Open Offer to acquire upto 40,33,796 fully paid equity shares comprising 20% of fully paid-up equity share capital (post conversion) of Jagson Airlines Limited (hereinafter referred to as "the Target Company") at an Offer Price of Rs. 20.11 per fully paid up equity share, payable in cash by Jagson International Limited (hereinafter referred to as "the Acquirer").

I/We refer to the Public Announcement dated 23rd November, 2007, & its Corrigendum dated 18th February, 2008 and the Letter of Offer dated 22nd February, 2008 for acquiring the equity shares held by me/us in Jagson Airlines Limited. I/We, the undersigned have read the aforementioned Public Announcement & its Corrigendum and Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorize the Acquirer to return to me/us, the tendered Share Certificate(s)/Share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer / Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. by 18th March, 2008.

I/We note that the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / shares in dematerialised form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:
(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	Ledger Folio No(s).	Certificate No(s).	Distinctive No(s).		No. of Shares
			From	To	
1					
2					
3					
4					
5					
Total No. of Equity Shares					

(In case the space provided is inadequate, please attach a separate sheet with details)

SHARES HELD IN DEMATERIALSED FORM

I/We hold the following shares in dematerialised form and had executed an off-market transaction for crediting the shares to the special depository account in NSDL styled "RCMC A/c JAL-Open Offer Escrow A/c" ("Depository Escrow Account") as per the details given below. Also find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP.

Depository	National Securities Depository Limited
Account Name	RCMC A/c JAL-Open Offer Escrow A/c
Depository Participant	PNR Securities Limited
DPID	IN301241
Client ID	10020338

The particulars of the account from which my/our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares Offered

I/We note that the shares will be credited back only to that depository account from which the shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

— —

Jagson Airlines Limited - Open Offer **Acknowledgement Slip**

Received from Mr. /Ms. /Mrs. _________________ residing at____ a Form of Withdrawal for ______________ shares along with:

- ☐ copy of depository instruction slip from DP ID ___________ Client ID _____________
- ☐ copy of acknowledgement slip issued when depositing dematerialised shares
- ☐ copy of acknowledgement slip issued when depositing physical shares

for withdrawing from the Offer made by the Acquirer.

Stamp of Collection Centre:	Signature of Official:	Date of Receipt:

In case of dematerialised Shares, I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder ____

Place: _________________
Date: _________________

— —

The Form of Withdrawal alongwith all the relevant documents should be submitted at the collection centre below:-

Address of collection centre	Contact Person	Telephone Number	Fax Number	Mode of Delivery
RCMC Share Registry Pvt. Ltd. B-106, Sector-2, Noida-201301	Mr. Rakesh Adhana	0120-4015880	0120-2444346	Hand Delivery / Registered Post

Collection Timings for the location mentioned above will be 10.00 a.m. to 1.00 p.m. & 2.00 p.m. to 5.00 p.m. from Monday to Friday and 10.00 a. m. to 1.00 p.m. on Saturday.

PLEASE NOTE THAT NO WITHDRAWAL FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.

2. Shareholders should enclose the following:

a. For Equity Shares held in demat form:

Beneficial owners should enclose:

i. Duly signed and completed Form of Withdrawal

ii. Copy of Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip

iii. Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP

b. For Equity Shares held in physical form:

Registered shareholders should enclose:

i. Duly signed and completed Form of Withdrawal

ii. Copy of Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip

iii. In case of partial withdrawal, Valid Shares Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

Unregistered shareholders should enclose:

i. Duly signed and completed Form of Withdrawal

ii. Copy of Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip

3. The withdrawal of shares will be available only for the share certificates / shares that have been received by the Registrar to the Offer / Special Depository Escrow Account.

4. The intimation of returned shares to the shareholders will be at the address as per the records of the Target Company / Depository as the case may be.

5. Shareholders holding shares in dematerialised form are requested to issue the necessary standing instructions for receipt of the credit in their DP Account.