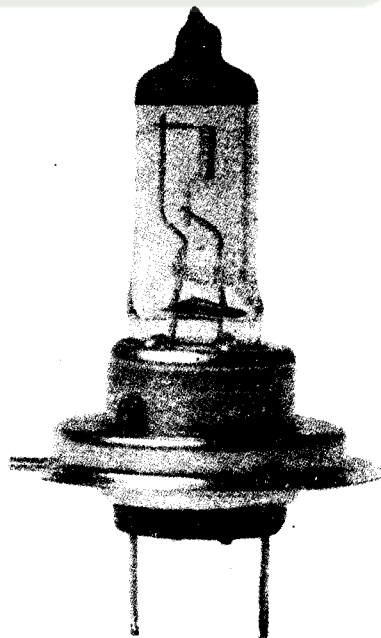


# ***JAGAN LAMPS LTD.***

***Manufacturer Automotive Halogen Bulbs  
(An 100% Export Oriented Unit)***

Report  Junction.com

**14TH  
ANNUAL  
REPORT  
2005-2006**



**Jagän** *Lighting on the move* .....

# **Jagan** *Lighting on the move* ..... **JAGAN LAMPS LTD.**

## **BOARD OF DIRECTORS**

MR. S.P. AGGARWAL  
MR. ASHISH AGGARWAL  
MR. ALOK AGGARWAL  
MR. RAMESH CHAND  
MRS. GEETA SINGLA  
MRS. SHIKHA GUPTA

CHAIRMAN CUM MANAGING DIRECTOR  
WHOLE TIME DIRECTOR  
DIRECTOR PRODUCTION  
DIRECTOR  
DIRECTOR  
DIRECTOR

## **AUDITORS**

BHASIN RAGHAVAN & CO.  
F-48, BHAGAT SINGH MARKET  
NEW DELHI - 110001

## **SOLOCITORS**

C.S. AGGARWAL & CO.  
R-519, NEW RAJINDER NAGAR  
NEW DELHI - 110060

## **REGISTRAR & TRANSFER AGENT**

MAS SERVICE PVT. LTD  
AB-4, SAFDARJUNG ENCLAVE  
NEW DELHI - 110029

## **REGISTERED OFFICE**

NARELA PIAO MANIHARI ROAD  
KUNDLI, DISTT. SONEPAT (HARYANA)

## **BANKERS**

AMERICAN EXPRESS BANK LTD  
HAMILTON HOUSE, NEW DELHI

## **HEAD OFFICE**

14, DDA TRANSPORT CENTER  
ROHTAK ROAD, PUNJABI BAGH  
NEW DELHI - 110035  
TEL NO. : 011-28312342, 28312357  
FAX NO. : 011-28312165

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# Jagan *Lighting on the move* ..... JAGAN LAMPS LTD.

## NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of Jagan Lamps Ltd. will be held at Narela Piao Manihari Road, Kundli, Distt. Sonapat (Haryana) on Saturday the 30th Day of September' 2006 at 9.00 A.M. for transacting the following business

## ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March' 2006 and the Profit & Loss Account for the year ended on that date along with Reports of the Directors and the Auditors thereon.
- 2) To appoint Statutory Auditors of the Company to hold Office from the conclusion of ensuing Annual General Meeting untill the conclusion of the next Annual Genreal Meeting at a Remuneration to be decided by the Board of Directors. M/s Bhasin Raghavan & Co. Chartered Accountants, New Delhi, retires at the ensuing Annual General Meeting & being eligible offer themselves for re-appointment.
- 3) To appoint a Director in place of Mrs. Shikha Gupta who retires at the Ensuing Annual General Meeting, offers herself for re-appointment.

For and On Behalf of the Board of Directors  
For Jagan Lamps Ltd.

sd/-

(S.P. Aggarwal)

Mg. Director

Dated : 12/08/2006

Place : Kundli

## NOTES

- 1) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
- 2) In order the Proxy Form to be effected, it must be deposited either at the Registered Office or at the Corporate Office of the Company not less than 48 hours before the Commencement of the meeting.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 19th September 2006 to 30th September 2006 (both days inclusive).
- 4) In case of Joint Holders, if more than one Holder intend to attend the meeting, they must obtain additional admission slip on request from the Registered Office of the Company. Only such Joint Holder who is higher in the order of names will be entitled to vote.
- 5) All documents refered to in the accompanying notice are opened for inspection at the Registered Office of the Company on all working days except Sunday's between 11:00 AM and 1:00 PM before Commencement of the Annual General Meeting.
- 6) The trading in the Shares of the Company has been made compulsory in Dematerialised form w.e.f. 11/10/2000 and ISIN No. of the Company is INE 144 C 01014 with NSDL & CDSIL.
- 7) To & Fro Transport facility will be provided to the Members/Proxy Holders only who submit their applications for this facility by 24/09/2006 at the Head office of the Company between 11:00 A.M. to 1:00 P.M. The Conveyence will start at 7.00 A.M. on 30/09/2006 from the Head Office of the Company for the Members / Proxy holders whose applications for availing the transport facility has been received within the stipulated time for attending the Annual General Meeting.
- 8) Members / Proxies who are holding shares in Dematerialised form are requested to bring the Client ID and DPID numbers for easy identification of attendance at the Meeting.
- 9) Consequent upon the introduction of Section 109A of the Companies Act,1956, shareholders are entitled to make nomination in respect of shares held in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request, from the Registrar and Transfer Agent of the Company).

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10) Details about the Director to be appointed in the Annual General Meeting as per Clause 49 of the Listing Agreement is enclosed.

For and On Behalf of the Board of Directors  
For Jagan Lamps Ltd.

sd/-

(S.P. Aggarwal)

Mg. Director

Dated : 12/08/2006

Place : Kundli

**Mrs. Shikha Gupta** aged 29 Years, is a Chartered Accountant and has been associated with the Company since 1995. She has varied experience in the field of finance, taxation, legal, Business administration and planning.

## DIRECTORS' REPORT

To the Members,

We are delighted to present our Report on the Business and Operations of the Company for the year ended March 31, 2006 and the Audited Statement of Accounts of the Company along with Auditors Report thereon.

## FINANCIAL HIGHLIGHTS

	Year Ended 31/03/2006
Sales & Other Income	77458737
Total Expenditure	73683721
Profit before Interest & Depreciation	3775016
Interest	0
Depreciation	3482677
Net Profit	292339
EPS (Rs.)	0.00

## FINANCIAL AND OPERATIONAL PERFORMANCE

On operational part, Sales of the Company has declined by about 8% as compared to 2004-2005. This is due to tough competition in the International market. The Company is bringing new technology and new machines to overcome this difficulty. The new machines are to be installed very soon.

Since the Company has completed its 10 years operation hence the Income Tax exemption is not available to the Company as per Income Tax Act.

However, your Company has maintained its status as Profit Making Company which has been made possible by confidence on the Staff Members/ Workers of the Management and continuous support from the Members & Foreign/ Domestic Buyers.

## BUSINESS

Your Company is mainly in the Business of Manufacturing Automotive Bulbs and Lights. The Company holds a 100% EOU status. In Export Market it is facing a tough competition from China. In Domestic Market the Company is supplying to OEM.

## OPPORTUNITIES

Your Company is in the process of acquiring Land for setting up a new Unit at Himachal Pradesh where it would enjoy 100% excise exemption for 10 years and 100% Income Tax exemption for 5 years. However 30% Income Tax Exemption will be available for further next 5 years.

## THREATS

Increase in the prices of major Raw Materials like Tungsten Filaments, Molybdenum, Brass and other Metal Components alongwith Fuel Cost which has increased all over the world is impacting the profitability. The operating margin is also under pressure due to increase in Input Cost which is not possible to recover entirely from the customers.

### SEGMENTWISE PERFORMANCE

The Company operates in Single Segment i.e. Automotive Lamps and Lights.

### LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai, having Company Code 530711 and Delhi Stock Exchange Association Ltd. having Company Code 7355. The Listing Fees for the Financial Year 2005-06 has been paid. The Shares of the Company has got De-listed from the Ahmedabad Stock Exchange and Uttar Pradesh Stock Exchange.

### REGISTRAR AND SHARE TRANSFER AGENT

Members holding shares in physical form are requested to notify their change of address, if any either at the Head Office of the Company or to the Registrar and Share Transfer Agent "Mas Service Pvt. Ltd., AB-4, Safdarjung Enclave, New Delhi - 29" quoting correct Folio Number(s) and in case of share held in Dematerialised form to the concerned Depository Participant.

### ISIN NUMBER FOR NSDL AND CDSL

For transfer of Share Certificates from Physical Forms to Demat, the ISIN No. of the Company is INE144C01014.

### INTERNAL CONTROL SYSTEM

Your Company has a proper adequate system of Internal Controls with its size to ensure that all Asstes are safeguard and protected.

### HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATIONS

Your Company strongly recommends that employees are real strength and their contribution always remain the main part of growth. Continous measures are placed on training and development of employees to continuously expand the Skill Base.

### FIXED DEPOSIT

The Company has not accepted any Fixed Deposits U/s 58A of the Companies Act during the year under Review.

### PUBLIC ISSUE

The Company has neither floated any Public Issue nor any Right issue during the year under Review.

### RE-APPOINTMENT OF DIRECTOR

Mrs. Shikha Gupta, who retires at the forthcoming Annual General Meeting offers herself as being eligible for re-appointment. Necessary Resolution is placed before the Shareholders for their approval.

None of the Directors of your Company is disqualified as per Provisions Section 274 (1)(g) of the Companies Act, 1956. Your Directors have made necessary disclosure as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

### AUDITORS

M/s Bhasin Raghavan & Co., Chartered Accountants, New Delhi, Auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The observation of the Auditors contained in the Auditors Report, read with Notes On Accounts are self explanatory and do not call for any further clarification.

### CORPORATE GOVERNANCE

#### COMAPNY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about Managing Business in an Ethical and Responsible Manner, focusing on sustainable value creation for the stake holders, within the prevalent regulatory frame work. Codification of Corporate Governance Principles in any Business Entity is not an end but is infact a tool, to demonstrate commitment to the Principles of Integrity and Transperance in Business Process. It is beyond doubt, "Transparency" and "Accountability" are two pillars on which the Corporate Governance edifice rests.

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Corporate Governance in the Company is not mere Compliance of the Provisions of Laws all the Listing Agreement of Stock Exchanges. Going forward it is practiced in a manner, such an ethical tone underlines all Business Process.

## BOARD OF DIRECTORS

### (A) Composition of Board

The present Board of Directors consists of three Executive Directors and three Non-Executive Independent Directors. The Non Executive Directors with their knowledge, experience and expertise brings in their independent judgement to the deliberations and decisions of the Board. Apart from the Sitting Fees paid for attending either Board or Committee Meetings, the Non-Executive Directors did not have any material pecuniary relationship or transactions with the company during the year 2005-2006.

The company meets the requirement relating to the composition of Board of Directors with having 50% of the Board comprises of Independent Directors.

### (B) Non-Executive Directors Compensation and Disclosures

The Non-Executive Directors of the Company are paid Sitting Fees as fixed by the Board of Directors within the limits prescribed under the Companies Act, 1956. No stock options were granted to Non-Executive Independent Directors during the year under the review.

### (C) Other Provisions as to Board and Committees'

During the Year 2005-2006, Eight Meeting of the Board of Directors were held on 31st May 2005, 9th June 2005, 29th July 2005, 12th August 2005, 30th September 2005, 25th October 2005, 30th December 2005 and 30th January 2006.

The 13th Annual General Meeting of your Company was held on 30th september 2005. The Details about the Directors, Attendance in the Board Meetings and Annual General Meeting are Given below :

Name	Category	Board Meeting attended during the year
1 Mr. S.P.Aggarwal	Promoter - Chairman cum Mg. Director	8
2 Mr. Ashish Aggarwal	Promoter & Executive Director	8
3 Mr. Alok Aggarwal	Promoter & Executive Director	8
4 Mrs. Geeta Singla	Independent & Non Executive	7
5 Mrs. Rekha Aggarwal	Independent & Non Executive	4
6 Mr. Ramesh Chand	Independent & Non Executive	6
7 Mrs. Shiekha Gupta	Independent & Non Executive	2

None of the Director of the Board serves as a Member of more than 10 Committee nor do they chair more than 5 committee, as per the requirements of the Listing Agreement.

### (D) Code of Conduct:

- (1) The Board of Director has laid down Code of Conduct for all Board Members and Senior Management of the Company.
- (2) The Members of the Board of Directors have affirmed compliance with the Code applicable to them during the year ended march 31, 2006. A Certificate in this regard duly signed by the Mg. Director is contained in the Annual Report of the Company.

## POLICY ON QUALITY

The Company is committed to provide good quality products to its customers world wide. In order to achieve the goal, every employee is involved in ensuring quality of products at all times. The Company is also committed to continuously improve safety and health of employees and working environment.

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The Company is ISO 9001-2000 Certified.

## RESPONSIBILITY STATEMENT

1. Applicable Accounting Standards had been followed in the preparation of Annual Accounts.
2. That the Board of Directors had selected such Accounting Policies and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company.
3. That the Directors had prepared Annual Accounts on a going concern basis.

## AUDIT COMMITTEE

- (1) The Company complies the provisions related to Audit Committee in terms of Clause 49 of the Listing Agreement as well as in terms of the provisions of section 292A of the Companies Act, 1956. It consists of three Independent Directors who are expertise in Financial Management.
- (2) During the year 4 meetings of the Audit Committee were held. The Chairman of the Audit Committee is Mrs. Geeta Singla.
- (3) The Audit Committee has powers to seek information from any employee and to obtain outside Legal or other Professional Advise.
- (4) The main roll of the Audit Committee is to review the Company's Financial Reporting Process, Financial / Risk Management Policies. To recomend on appointment of Statutory Auditors and fixation of Audit Fee to the Board of the Company.
- (5) To review the adequacy of the Internal Control Systems, Internal Audit Report, discussions with the Management and the Auditors and to carry out any of the functions contained in the Corporate Governance Clause of the Listing Agreement.

During the year 4 meetings of the Committe were held and all were attended by all the Members.

## REMUNERATION COMMITTEE

Pursuant to Schedule XIII of the Companies Act, 1956 read with Clause 49 of the Listing Agreement with Stock Exchanges, a Remuneration Committee comprising of all Non-Executive Independent Directors Mr. Ramesh Chand, Mrs. Shikha Gupta and Mrs. Geeta Singla to function in the manner and deal with the matters as required under the Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement

During the period under review 4 meeting of the Remuneration Committee was held and were attended by all the members.

## REMUNERATION POLICY

Remuneration of employees largely consists of basic remuneration, perquisites and performance incentives. The component of the total remuneration varies for different grades and is governed by Industry Pattern, qualifications and experience of the employees; responsibilities handled by him and his individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and retain talent in the organization and record merit.

Details of Remuneration paid during the year ended 31.03.2006 are as under :

### i) Executive Directors

Name	Remuneration	Commission & Perquisites	Reimbursement	Sitting Free
Mr. S.P. Aggarwal	2.28 Lacs	Nil	0.84 Lacs	17500
Mr. Ashish Aggarwal	2.28 Lacs	Nil	0.84 Lacs	17500