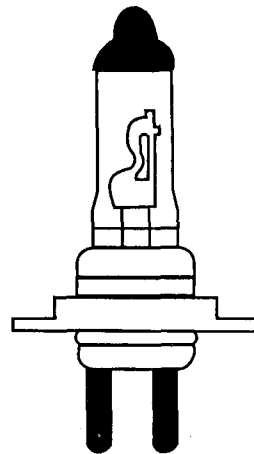


# ***JAGAN LAMPS LTD.***

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

## **20TH ANNUAL REPORT 2011-2012**



**Jāgān** *Lighting on the move.....*

**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

**SOLECITORS**

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

**REGISTRAR & TRANSFER AGENT**

MAS SERVICES LTD  
T-34, 2nd Floor  
Okhla Industrial Area Phase - II  
NEW DELHI - 110020

**REGISTERED OFFICE**

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

**BANKERS**

1. HDFC BANK LTD.
2. PUNJAB NATIONAL BANK

**CORPORATE / HEAD OFFICE**

JAGAN LAMPS LTD.  
14, DDA TRANSPORT CENTER  
ROHTAK ROAD, PUNJABI BAGH  
NEW DELHI - 110035  
TEL NO. : 011-28312342, 28315357  
FAX NO. : 011-28312165  
Email : info@autobulbs.org

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## NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Members of Jagan Lamps Ltd. will be held on Friday the 28th day of September, 2012 at 10.00 A.M at the registered office of the company at Jagan Lamps Ltd., Narela Piao Manihari Road, Kundli, Dist.Sonepat (Haryana) to transact the following business :-

### ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the Audited balance sheet as at 31st March, 2012, Profit & Loss A/c for the year ended on that date along with the reports of Board of Directors and the Auditors thereon.
- 2) To re-appoint M/s Bhasin Raghavan & Co. Chartered Accountants, New Delhi as the Statutory Auditors of the Company to hold Office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee of Directors to fix their remuneration.
- 3) To appoint a Director in place of Mrs. Geeta Singha who retires by rotation at the ensuing Annual General Meeting and being eligible offers her self for re-appointment.

### SPECIAL BUSINESS

- 1) To authorize the board of Directors of the Company to execute, sign and file various forms, applications, documents, returns, statement and to take all the necessary steps to deal with the Ministry of Corporate Affairs, or by any Officials to represent the Company before them and to take all the necessary steps in this regard.  
**RESOLVED THAT** the board of Directors of the Company be and is hereby authorized to execute, sign and file various forms, applications, documents, returns, statement and to take all the necessary steps to deal with the Ministry of Corporate Affairs, or by any Officials to represent the Company before them and to take all the necessary steps in this regard."

For and on Behalf of the Board of Directors  
For Jagan Lamps Ltd.,

Sd/-

(S.P.Aggrawal)  
Managing Director

Dated: 31 MAY 2012

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) Proxies in order to be effective 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) In terms of the provisions of the Companies Act, 1956 and Listing Agreement with the Bombay Stock Exchange Ltd. & the Delhi Stock Exchange Ltd. Where the shares of the Company are listed the Register of the Members and Share Transfer Books of the Company will remain closed from 14th day of September, 2012 to 28th day of September, 2012 (both days inclusive).
- 4) In terms of the provisions of the Companies Act, 1956 and Listing Agreement with the Bombay Stock Exchange Ltd. & the Delhi Stock Exchange Ltd. Where the shares of the Company are listed the Register of the Members and Share Transfer Books of the Company
- 5) The notice of the Annual General Meeting will be sent to those members/ beneficial owners whose name appear in the register of Members/ list of beneficiaries received from the depositories as on 14 August 2012. Shareholders are requested to update their Email IDS with their depository participants which will be used for the purpose of sending the official communications through Email.
- 6) In case of Joint Holders, if more than one Holder intends to attend the meeting, they must obtain addition 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.
- 7) All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Sundays between 11.00 AM to 1.00 PM up to the date of the Annual General Meeting.
- 8) To & Fro Transport facility will be provided to the Members/Proxy Holder only, for attending the annual general meeting of the company, who submits their applications for this facility by 21/09/2012 at the Corporate office of the company between 11.00 A.M to 1.00 P.M on all working days.
- 9) The conveyance for attending the Annual General Meeting will start at 8.30 A.M on 28/09/2012 from the corporate office of the company, for the Members / Proxy holders whose applications for availing the transport facility has been received by the company within the stipulated time which is duly acknowledged by the company.
- 10) Members / Proxies who are holding shares in Dematerialized form are requested to bring the Client ID and DPID numbers for easy identification of attendance at the meeting.
- 11) Details about the Director to be re-appointed in the Annual General Meeting, as per Clause 49 of the Listing Agreement are enclosed.
- 12) **RE-APPOINTMENT OF DIRECTOR**  
Mrs. Geeta Singha who retires by rotation at the ensuing Annual General Meeting, and being eligible offers her self for re-appointment. Mrs. Geeta Singha aged 36 years, has been associated with the Company and appointed as Director since 2005. He is not interested as director in any other company. None of the directors of your company is disqualified as per the provisions of 274(1) (g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Necessary Resolution is placed before the members for their approval.  
"RESOLVED that pursuant to Section 269 and other applicable provisions of the Companies Act, 1956, consent of the

Company be and is hereby accorded to the re-appointment of Mrs. Geeta Singhla as the director designated as Chief Executive and director of the Investor Grievance Committee of the company."

For and on Behalf of the Board of Directors  
For Jagan Lamps Ltd.,  
Sd/-  
(S.P.Aggrawal)  
Managing Director

Dated: 31 MAY 2012  
Place : Kundli

## DETAILED GENERAL INFORMATION AS PER SCHEDULE XIII OF THE COMPANIES ACT, 1956:

**NATURE OF INDUSTRY:** MANUFACTURING AUTO HALOGEN LAMPS, AUTOBULBS & LAMPS

**FOREIGN EXCHANGE EARNINGS THE FOREIGN EXCHANGE EARNINGS FROM EXPORTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012** IS RS 1421.84 Lacks as against Rs 1017.88 Lacks in 2011.

### DIRECTORS' REPORT

Dear Share Holders,

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of the Company for the year ended March 31, 2012 and the Audited Statement of Accounts of the Company along with Auditors Report thereon.

### FINANCIAL RESULTS FOR 2012

	Year Ended 31/03/2012 (Rs in Lacks)
Sales & Other Income	193676826
Total Expenditure	174663736
Profit before Interest & Depreciation	19013090
Interest	31129
Depreciation	6545535
Net Profit	12436426
Provision for Taxes	3900000
Income Tax Adjustments	0
Surplus carried to Balance Sheet	8536426
EPS (Rs.)	1.24

### OPERATIONAL PERFORMANCE

In spite of the fact that due to economic crises all over the world and your company is mainly into Export business but you will surprise that in spite of such circumstances the sales of the company has achieved the Sales of RTs 1933.09 Lacks as compared to Rs 1698.29 in 2011 i.e an increase of about 12.15%. Further, the Profit of your company has also gone up as compared to the Profit for the correspondent Year. This achievement has been made possible by the high effort of the staff and the management of the Company.

### BUSINESS

Your Company is mainly in the business of manufacturing of Automotive Bulbs & Lights. The Company holds 100 % Export oriented status. New markets have been developed by the company for increasing its presence and Sales.

### ANALYSIS REPORT

The Management of your Company Looks forward in retaining its position as regularly increased in Sales & Profits. Your company has modernized manufacturing facilities in order to achieve the targets fixed for 2012-13. As automobile industry is growing at a rapid speed & there is a Demand and supply gap for the product which is being manufactured by your company i.e. Automotive Bulbs & Lights.

### OPPORTUNITIES

The Marketing Team of your company is regularly in the process of expanding its exports in the new markets as we are doing in the past as well.

### THREATS

- Regular Increase in Energy prices, Fuel Prices, Running Cost may adversely affect the profitability of the company.
- Increase in the cost of work force may impact the profitability of the company.
- Slow down of the economic situation all over the world may affect the sales and profitability of the company.

### RISK AND CONCERN

Though the management keep complete watch on the expenses and wastage at production level even the operating margins are under huge pressure due to increase in energy prices, raw material cost & other input costs are creating pressure on operating margins. It may not be possible for the company to recover the entire increase in raw material and input costs from the customers.

### SEGMENTWISE PERFORMANCE

As per the relative segment reporting requirements, the company operates in Single Segment of Automotive Bulbs & Lights.

### LISTING OF SHARES ON STOCK EXCHANGES

The Equity Shares of the Company are listed on

1. The Bombay Stock Exchange Ltd., Mumbai, having Company Code 530711
2. Delhi Stock Exchange Association Ltd., having Company Code 7355.

The Listing Fees up to the Financial Year 2012-13 has been paid.

**ISIN NUMBER FOR NSDL & CDSL** (International Securities Identification Number)

The ISIN Number of the company is INE144C01014.

The annual custodial fees for the Financial Year 2012-13 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services Ltd., (CDSL).

### SHARE TRANSFER AGENT

The Members are requested to correspond with company's Registrar and Share Transfer Agent

"Mas Services Ltd., T-34, 2nd Floor Okhla Industrial Area Phase -II, New Delhi - 110020"

For change of address, Physical transfer of shares, De-mat requests and other investors related matters.

Shares lodged for transfer at the Registrar's address are normally processed and approved by the Share Transfer Committee on fortnight basis. Dematerialization of shares is processed within 15 days. Other miscellaneous matters are processed by the Registrar within 30 days.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. It ensures that all financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets.

## **CONSERVATION OF ENERGY**

The company continues its policy of priority to energy conservation measures including regular review of energy conservation, consumption and effective control and utilization of energy.

## **RESEARCH & DEVELOPMENT**

Your company is manufacturing Halogen Lamps with well established technologies and hence does not require any Research and Development efforts.

## **QUALITY POLICY AND CERTIFICATION**

The company is committed to provide consistent good quality products to its worldwide customers and to achieve the world class quality in the products manufactured. Every employee is involved in ensuring quality of products at all times. Management on its part is fully committed to further improve quality and provides all the sources to accomplish this task. The company is ISO / TS 16949:2009 certified.

## **ACKNOWLEDGEMENT**

The Board of Directors wish to place on record their gratitude to the shareholders, State & Central Government authorities, vendors, bankers, customers and other business associates for their support and co-operation extended to the company.

Your Company and its Directors place on record their deep appreciation for exemplary contribution of the employees at all levels. Their dedicated efforts and enthusiasm has been integral to your Company's impressive growth.

For and on Behalf of the Board of Directors

For Jagan Lamps Ltd.,

Sd/-

(S.P. Aggrawal)

Managing Director

Dated: 31 MAY 2012

Place : Kundli

## **CORPORATE GOVERNANCE**

Your Company is committed for compliance with the law, social responsibility and has a strong independent knowledgeable Board having responsibility:

- To protect the interest of the investors, customers, employees and vendors.
- To ensure legal and ethical conduct by every one in the company.
- Advise the chairman with the view to make the company successful, safe guard the interest of the company and the stake holders.

## **CORPORATE GUIDELINES**

Your company is committed to concept and philosophy of corporate governance as means of effective internal control, highest level of transparency, professionalism and accountability in all areas of its operations for enhancing customer satisfaction and stake holder value. The company believes the corporate governance and practice are not only consistent with the statutory requirements but is aimed at assisting the management in the efficient conduct of its business and meeting its obligations to stake holders and is guided by a strong emphasis on transparency, accountability and integrity as below:-

- Structure that promotes transparency and culture that the right questions are asked without fear and that checks and balances are in place to ensure that the answers reflect what is best for the creation of long term sustainable wealth and value.
- First "The quality of strength of character."
- Risk management is an essential element of Corporate Governance hence the Board is charged with the oversight of this function.

## **BOARD OF DIRECTORS**

### **(A) Composition of Board**

The board consists of three executive directors and three non-executive independent directors. The non-executive directors with their diverse knowledge, experience and expertise bring in their independent judgment to the deliberations and discussions of the Board. Apart from the sitting fees being paid to the non-executive directors for attending board / committee meetings, they did not have any material pecuniary relationship or transaction with the company during the year 2011-12. The company meets the requirements relating to the composition of the Board of Directors under Clause 49 of the Listing Agreement.

### **(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 the non-executive directors during the year under review.

### **(C) Other provision as to Board and Committees**

During the year 2011-12, Five meetings of the Board of Directors were held.

The 19th Annual General Meeting of your company was held on 30th September, 2011.

The details about the Directors, attendance in the Board Meetings and Annual General Meetings are given below:-

Name	Board Meetings attended	during the year	Attendance at the AGM held on 30/09/2011
Category			
Mr. S.P Aggrawal	Chairman	5	Yes
Mr. Ashish Aggrawal	Whole Time Director	4	Yes
Mr. Alok Aggrawal	Director - Production	5	Yes
Mrs. Geeta Singla	Non-Executive Director	5	Yes
Mrs. Shiekha Gupta	Non-Executive Director	4	Yes
Mr. Ramesh Chand	Non-Executive Director	3	Yes

**NOTE:** None of the directors of the Board serve as Member of more than 10 committees nor do they chair more than 5 Committees as per the requirements of the Listing Agreement.

#### (D) CODE OF CONDUCT

The basic statement constitutes the foundation of the company's Business conduct Guidelines (BCGs) which are globally binding uniform rules of conduct that apply to every employees of the company.

Further the Company has adopted BCGs as the Code of Conduct for Directors and Senior Management of the Company as per the requirements of Clause 49 of the Listing Agreement. Accordingly the application of BCGs has also been extended to the Non-executive Directors of the Company.

The Members of the Board of Directors have affirmed compliance with the BCGs applicable to them during the year ended March 31, 2009. A Certificate in this regard duly signed by Mr. S.P Aggrawal, Managing Director, forms part of the Annual Report.

#### AUDIT COMMITTEE

The company complied with the provisions related to Audit Committee In terms of Clause 49 of the Listing Agreement as well as the provisions of Section 292 A of the Companies Act, 1956.

- (1) It consists of three independent directors, who are expertise in Accounting / Financial Management. The Chairman is an Independent Director. During the year 4 meetings of the Audit Committee were held. The Chairman of the Audit Committee is Mrs. Geeta Singhla.
- (2) The main role of the Audit Committee is to review the company's Financial Reporting Process and disclosure of financial information. Recommend the appointment, re-appointment and if required replacement of Statutory Auditors, fixation of Audit Fees and recommends its view / observations to the Board of the Company.
- (3) Review with management the Annual and Quarterly statements before submission to the Board, performance, Statutory and internal auditors and adequacy of the Internal Control Systems.

#### RESPONSIBILITIES OF AUDIT COMMITTEE

1. Review of company's financial reporting process, financial statements & financial management policies.
2. Recommendation to the board for fixation of Audit fee to the statutory auditors.
3. Reviewing the annual financial statements with the Management before submission to the Board for approval related to : Changes, if any, in accounting policies and practices and reasons for the same.

Any matter required to be added in the Directors Responsibility Statement, to be included in the Boards report in terms of clause (2AA) OF SECTION 217 OF THE COMPANIES Act, 1956.

Compliances with listing and other legal requirments relating to financial statements.

Disclosure of related pary transactions.

4. Review the quaterly financial statements with the management before submission to the Board.
5. Review the adequacy of internal control systems.

#### (A) REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 Independent Directors. The present Committee consists of Mr. Ramesh Chand, Mrs. Shikha Gupta and Mrs. Geeta Singla. During the Financial year 2011-12 four meetings were held. The gap between two meetings did not exceed 4 months.

The terms of reference of the committee is to decide the actual salary, salary grades, overseas allowance, and implementation of the performance linked incentive scheme of the company.

#### (B) REMUNERATION POLICY

The Remuneration Policy of the Company is performance driven and is structured to motivate employees, recognize their merits and achievements and promote excellence in their performance.

The company does not have a scheme of stock options of its Shares either for the Directors or for the employees. The Non-executive Directors are entitled to Sitting Fees for attending Board /Committee Meetings.

Details of Remuneration paid to the Directors during the year ended 31.03.2012 is as under:

Name	Remuneration	Commission & Perquisites	Sitting Fees
Mr. S.P Aggarwal	24.90 Lacks	Nil	0.25 Lacks
Mr. Ashish Aggarwal	23.90 Lacks	Nil	0.20 Lacks
Mr. Alok Aggarwal	23.90 Lacks	Nil	0.25 Lacks

#### (C) SHARE HOLDERS INFORMATION

- (1) Mr. Ramesh Chand is retiring by rotation at the forthcoming Annual General Meeting of the company.
- (2) The Quarterly/Annual results are published in Financial Express and Janasatta Newspapers. The Annual Reports are mailed to shareholders of the Company by Pre-paid Postage through P & T (Bulk Mailing) Deptt., Foreign Post office complex, New Delhi
- (3) The Company has its Website Address as [www.autobulbs.org](http://www.autobulbs.org)
- (4) The Email Address of the Company is [info@autobulbs.org](mailto:info@autobulbs.org) and [autobulb@del3.vsnl.net.in](mailto:autobulb@del3.vsnl.net.in)

#### (D) DIVIDEND

The Board of Directors do not recommend any dividend for the year.

#### (E) MARKET PRICE INFORMATION

The Market Price per Share of the company varied from Rs.05.34 to Rs.07.50 during the financial year ended as on 31.03.2012.

## DISTRIBUTION OF SHARE HOLDING PATTERN AS ON 31/03/2012

Sr. No	Category	No. of Shares Held	Percentage of Shareholding
1	Promoters	3852842	55.878
2	Mutual Funds	1 4773	0.214
3	FII's & NRIs	700179	10.155
4	Domestic Companies	334177	4.847
5	Residential Individuals	993099	28.906
	<b>TOTAL</b>	<b>6895070</b>	<b>100</b>

## DEMATERIALISATION OF SHARES

36.785 percent of the share holding of the company has been dematerialized as on 31/03/2012

## FOREIGN EXCHANGE EARNING AND OUTGO

	(Rs. in Lakhs)
Earnings from Exports	1421.84
Outgo Import of Raw Material & Capital Goods	1024.87
Foreign Travel / Mkt. Expenses	3.97
Exhibition	2.50
Sales Promotion	15.87
<b>NETT EARNING</b>	<b>374.63</b>

## CAUTIONARY NOTE

Certain statements in the management discussions and analysis section may be forward looking and are stated as required by applicable laws and regulations. Manufacturers may affect the actual results, which would be different from directors and sales in terms of future performance and outlook.

## FIXED DEPOSIT / PUBLIC DEPOSITS

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

## AUDITORS

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

## AUDITORS REPORT

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 clarifications.

## PERSONNEL

Name	Designation	Experience	Remuneration	Age
Mr. S.P Aggrawal	Chairman Cum Mg.	Director 49	24.90 Lacs	66
Mr. Ashish Aggrawal	Whole time Director	19	23.90 Lacs	40
Mr. Alok Aggrawal	Director Production	19	23.90 Lacs	38

## NOTE:

i) Mr.S.P.Aggrawal, Chairman cum Managing Director, Mr. Ashish Aggrawal, Whole time Director & Mr. Alok Aggrawal, Director Production are related to each other.

ii) Except the appointment of Directors, all other appointments are non-contractual

## DISCLOSURES

(a) There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

### (b) Whistle Blower Policy

There is no need in the Company to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy in the Company.

(c) The company has complied with the mandatory conditions of Corporate Governance.

### (d) Board Disclosures Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

## DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company. Further it is certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Business Conduct Guidelines code, as applicable to them, for the Financial Year ended on 31st March 2012.

For Jagan Lamps Ltd.,

Sd/-

(S.P.Aggrawal)

Managing Director

Dated: 31 MAY 2012

Place : Kundli

## AUDITORS REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED AS ON 31.03.2012

To

The Members of Jagan Lamps Ltd.

We have examined the Compliance of conditions of Corporate Governance by JAGAN LAMPS LTD. for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement entered in to by the Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate