

JAGAN LAMPS LTD.

YEAR ENDED 31ST MARCH 2018

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES

1 Basis For Preparation of Financial Statements

The Financial statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on accrual basis, and are in conformity of Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (Ind AS). All assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2 Revenue Recognition

- (A) Domestic Sales are exclusive of Excise Duty
- (B) Export sales are inclusive of Exchange Rate Fluctuation on realization
- (C) CST Reimbursement claims from NEPZ if any, are recorded on acceptance of claims.

3 Tangible Assets and Intangible Assets

Tangible assets are recorded at cost of acquisition or construction (Including interest/financial charges, project restructuring cost and other expenditure incidental and related to such acquisition/ construction).

Intangible Assets are capitalized at cost of acquisition or development and expenditure incidental and related to such acquisition/development.

4 Depreciation and Amortization

- (a) Depreciation on Tangible Assets is provided on Straight Line method on the basis of useful lives in the manner prescribed in Schedule - II of the Companies Act, 2013.
- (b) Intangible Asset (Software) is amortized over a period of 6 years.

5 Inventories

Inventories are valued on following basis:

Raw Material	At Cost
Finished Goods	At Cost
Stocks, Spares & Packing Materials	At Cost
Work - In - Progress	At Estimated Cost

6 Foreign Currency Transactions

Transactions involving Foreign Currency are recorded at the exchange rates prevailing on the date of transaction. Exchange rate difference due to difference between recorded rates and net realized rates is booked under revenue. The bank balance (Debit/Credit) at the yearend revalued at the rates prevailing as on the close of the year. The other current assets/liabilities continue to be shown at recorded rates.

7 Employee Benefits

Employee benefits (Bonus, gratuity and leave encashment) are accounted for on cash basis.

8. **Borrowing Costs**
Borrowing costs that are attributable to the construction/acquisition of qualifying fixed assets are capitalized as a part of cost of these assets.
9. **Provisions and Contingent Liabilities**
In accordance with the Accounting Standard 29 (AS 29) as notified by the Companies Accounting Standard (Rules) 2006
- (a) Provisions are made for the present obligations where amount can be estimated reliably, and
- (b) Contingent Liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company.
Contingent Assets are neither recognized nor disclosed in the financial statements.
10. **Impairments**
Cash generating unit are assessed for possible impairment at Balance Sheet date based on external and internal sources of information. Impairment loss, if any, is recognized as expense in statement of Profit and Loss.
11. **Taxes on Income**
Income Tax expenses are accrued in accordance with Accounting Standard - 22 "Accounting for Taxes on Income" as notified by the Companies Accounting Standard (Rules) 2006, which include Current Tax and Deferred Tax. Provision for current tax is made after taking into considerations benefits admissible under the provisions of the Income Tax Act 1961. Deferred income tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to extent, there is a reasonable certainty that sufficient future taxable income will be available.
12. **Earning per Share**
Basic earnings per Share are calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. For the purpose of calculating diluted earnings per Share, the net profit or loss for the year attributable to Equity Shareholders and the weighted average number of Shares outstanding during the year is adjusted for the effects of all dilutive potential Equity Shares.
13. **Use of estimates**
The preparation and presentation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

NOTES ON ACCOUNTS

- 1) CONTINGENT LIABILITIES
Bond executed in favour of Dy. Commissioner Central Excise, for clearance of Imported Goods for Rs.300 Lakhs (Previous Year Rs. 300 Lakhs).

2b) Raw Material and Gases Consumed

	Amount in Rs. (000)			
	Current Year		Previous Year	
	Qty (Nos. 000)	Value (Rs. 000)	Qty (Nos. 000)	Value (Rs. 000)
Industrial Gases		5066	-	5331
Glass Tubings and Rods	2794	20568	4646	18408
Molybednum Wire, Pins, Shields & Moly Sleeve	1904	13185	2461	11822
Metal Parts (Pcs) (includes Caps & Collars)	9628	21974	7951	15877
Tungsten Filaments (Pcs)	5316	13203	5331	11802
Lamp Capsules (Pcs)	32636	14017	31710	11849
Others		4184		7888
Total		92197		82977

2c) Consumption of Imported and Indigenous Raw Materials

	(Amount in Rs. 000)			
	Current Year		Previous Year	
	%	Value	%	Value
Imported	50.32	46397	32.24	26754
Indigenous	49.68	45800	67.76	56223
	100	92197	100	82977

2d) Turnover & Stock

Description	Opening Stock		Production	Turnover		Qty in '000		Value in Rs. '000	
	Qty	Value		Qty	Qty	Value	Qty	Value	
Halogen Lamps	61	1275	30096	(30118)	146401	40	841		
	(95)	(2101)	(26967)	(27001)	(131177)	(61)	(1275)		
Head Lights	0	0	0	0	0	0	0		
	(0)	(0)	(2)	(2)	(310)	(0)	(0)		

2e) Earning in Foreign Exchange

	Amount in Rs. (000)	
	Current Year	Previous Year
(I) FOB (Value of Exports)	62519	75242
	<u>62519</u>	<u>75242</u>

2f) Value of Imports on CIF basis

	Current Year	Previous Year
Raw Materials	53945	25859
Capital Goods	0	0
	<u>53945</u>	<u>25859</u>

2g) Expenditure in Foreign Currency

Exhibitions	0	1248
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Travel & Tours	323	84
Sales Promotion	0	0
	<u>323</u>	<u>1332</u>

2h) Auditors Remuneration

Audit Fee	75	75
Certification fees	0	0
	<u>75</u>	<u>75</u>

3 Segment Reporting

The Company operates in Single Business Segment of "Manufacturing of Auto Lamps and Bulbs." For the purpose of geographical segments the consolidated sales and related items have been divided into two segments.

Geographical Segments	Domestic Sales	India	Amount in Rs(000)		
	Exports	Other Countries	Exports	Domestic	Total
a) Direct Expenses	42557	57099	99656		
b) Indirect Expenses	13771	18476	32247		
c) Income from Sales	62519	83882	146401		
d) Other Income	2876	3859	6735		
e) Gross Profit	9067	12166	21233		
f) Depreciation	5025	6743	11768		
g) Net Profit (before Tax)	4042	5423	9465		
h) Provision for Tax	1863	2500	4363		
i) Net Profit (After Tax)	2179	2923	5102		

4 Related Parties Disclosures

The Company has entered into following transactions with the related parties which require reporting as per Accounting Standard 18 (AS - 18)

a) Sales / Purchases with Related Parties:- Party Name	(Rs. '000)	Sales		Purchases/stores	
		Current Year	Previous year	Current Year	Previous Year
Jagan Automotive Pvt. Ltd. Associate Concern		4776	22707	3639	1013

	Amount in Rs. (000)	
	Current Year	Previous year
b) Directors Remuneration	1202	1202
c) Sitting Fees to Directors	0	230
d) Allowances	0	0

- 5 Company has no Diluted holdings and as such the Company's EPS and diluted EPS are the same
- | | |
|--|---------|
| a) No.of Shares issued at the beginning and at the end of the Year | 6895070 |
| b) Net Profit after Tax available for Equity Share Holders (Rs.) | 5101676 |
| c) Basis and diluted earnings per Share (Rs) | 0.74 |
- 6 Sundry Creditors and Sundry Debtors shown in the Balance Sheet are subject to confirmation.
- 7 Necessary disclosures under Micro, Small and Medium Enterprises Development Act, 2006, can only be considered once the relevant information to identify the suppliers who are covered under the said Act are received from such parties.
- 8 Foreign Currency Transactions Outstanding with Bank as at 31 March 2018

<u>Particulars</u>	<u>Foreign Currency</u>	<u>Amt In Rs</u>
<u>Amount Payables</u>		
KOTAK Bank-PCFC Loan	USD 74000 (NIL)	Rs. 4807526.62 (NIL)
<u>Amount Receivables</u>		
KOTAK Bank EEFC a/c	USD 8000.79 (USD 39329)	Rs. 520611.40 (Rs. 2536720.50)

9 Previous Year figures have been regrouped / reclassified, wherever considered necessary.

For Bhasin Raghavan & Co.

Chartered Accountants
FRN: 000197N

For and behalf of the Board

Sd/-
V.Singh (Partner)
M.N.93458

Sd/-
Geeta Singla
(CFO& Director)
DIN:01837339

Sd/-
Sandeep Yadav
(Company Secretary)
M. No: ACS-50965

Sd/-
Rekha Aggarwal
(Director)
DIN: 07887630

Sd/-
Ashish Aggarwal
(Managing Director)
DIN: 01837337

Place: New Delhi
Date: 30.05.2018