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LA OPALA RG LIMITED

20th Annual Report

2006 - 2007

Corporate Information

Board of Directors

Chairman	A. C. Chakrabortti
Managing Director	Sushil Jhunjunwala
Dy. Managing Director	Ajit Jhunjunwala
Directors	P. N. Roy G. Narayana Shakir Ali Arun Churiwal
General Manager Finance & Secretary	Alok Pandey
Auditors	Rajneesh Agarwal & Co.
Bankers	State Bank of India HDFC Bank Limited
Registrar & Share Transfer Agent	MCS Limited 77/2A Hazra Road Kolkata 700 029
Registered Office	"Chitrakoot" 10th Floor 230A, A. J. C. Bose Road Kolkata 700 020 India Tel 3053 6656 57 58 Fax 3053 6659 e mail laopala@eth.net website www.laopala.in
Works	• Post. Madhupur Dist. Deoghar Jharkhand • B-108, ELDECO SIDCUL Industrial Park Sitarganj Udham Singh Nagar Uttarakhand 262 405

Notice

Notice is hereby given that **20th Annual General Meeting** of the Company will be held at **Gyan Munch at 11, Pretoria Street, Kolkata 700 071 on Tuesday the 4th September, 2007 at 11.30 A.M.** to transact the following business :

As Ordinary Business

1. To receive, consider and adopt Directors' Report and Auditors' Report and audited statement of accounts for the year ended 31st March, 2007
2. To declare dividend for the year ended 31st March, 2007
3. To appoint a Director in place of P N Roy who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shakir Ali who retires by rotation and being eligible offers himself for reappointment.

With Special Notice

5. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
"RESOLVED THAT subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act 1956, M/s Doshi, Chatterjee, Bagri & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, in place of the retiring auditor M/s Rajneesh Agarwal & Co., who have not offered themselves for reappointment as Auditors of the company, to examine and audit the accounts of the Company for the financial year 2007-08 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

As special business

6. As Ordinary Resolution :

To consider and if thought fit, to pass with or without modifications, the following resolution:
"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Ajit Jhunjunwala as the Dy. Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2007 on the following terms and conditions provided such remuneration is also to be minimum remuneration payable to Ajit Jhunjunwala in the event of loss or inadequacy of the profits of the Company in any financial year during the aforesaid period of his re-appointment.

a. Salary

Rs. 1,25,000/- Per month in the scale of Rs.1,25,000 to Rs 2,50,000

b. Perquisites

- i In addition to the above, Ajit Jhunjunwala shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with utilities such as gas, electricity, water, furnishing & repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, personal accident insurance etc. in accordance with the rules of the Company or as may be agreed to by and between the Board of Directors and Ajit Jhunjunwala. Such perquisites for each year not to exceed his annual salary. For the purpose of calculating the above ceiling perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules perquisites shall be evaluated at actual cost.

Provision of the Company's Car and Telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- ii Company's contribution to Provident Fund is not taxable under the Income Tax Act. Gratuity Payable as per the rules of the Company and encashment of leave shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

c. Commission

As may be decided by the Board of Directors within the overall ceiling stipulated as per the provisions of the Companies Act, 1956.

d. Leave

On full pay and allowance as per the rules of the Company but not exceeding one month's leave for eleven months of service.

- e. Ajit Jhunjunwala shall also be entitled to be reimbursed all entertainment and/or traveling, hotel and other expenses actually incurred by him in performance of the duties on behalf of the Company.

The above terms and conditions are to be effective from 1st October, 2007.

By Order of the Board

Alok Pandey

G.M. Finance & secretary

Place | Kolkata

Date | 12th June, 2007

Notes

Explanatory statement pursuant to section 173(2) of the companies act 1956

Item No. 5

The Company's Statutory Auditor M/s Rajneesh Agarwal & Co. have not offered themselves for reappointment in the ensuing Annual General Meeting. The Company has received a special notice from the member of the Company, in terms of the provisions of the Act signifying its intension to propose the appointment of M/s Doshi, Chatterjee, Bagri & Co., Chartered Accountants as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s Doshi, Chatterjee, Bagri & Co. have also expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of the Section 224(1B) & 226 of the Act.

The members approval is being sought to the appointment of M/s Doshi, Chatterjee, Bagri & Co. as the Statutory Auditors to authorize the Board of Directors to determine the remuneration payable to the Auditors.

Item No. 6

In the 15th Annual General Meeting held on 21st August, 2002 the shareholders approved the appointment of Ajit Jhunhunwala as the Dy. Managing Director for a period of 5 years with effect from 1st October 2002 which was further modified in the 16th Annual General Meeting held on 5th September 2003 and 17th Annual General Meeting held on 11th September, 2004. His tenure of office as Deputy Managing Director expires on 30th September, 2007 and being eligible Ajit Jhunhunwala offers himself for re-appointment as the Deputy Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2007.

Currently Ajit Jhunhunwala is also a Director in Genesis Exports Ltd, SKJ Estate Pvt. Ltd., Ishita Housing Pvt. Ltd. and Anuradha Designers Pvt. Ltd.

In view of the significant contributions made by Ajit Jhunhunwala in the affairs of the Company the resolution as set out in item No. 6 may be considered accordingly and the Board of Directors recommends the same for your approval.

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 such proxy need not be a member of the company.
2. Proxies in order to be effective, must be lodged at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 regarding the Special Business contained in the notice is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th August, 2007 to 4th September, 2007 (both days inclusive).
5. Dividend that may be declared by the Company will be paid to those members whose names will appear on Register of Members of the Company or to their mandatees on 26th August, 2007.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Shareholders requiring any information regarding accounts are requested to write to the company in advance so that the relevant information can be furnished by the Company.
8. Members of the Company are requested to intimate immediately to the Registered Office of the Company about the change of address, if any.
9. Members/Proxies are requested to bring the Attendance Slip duly filled in and hand it over at the entrance of the Meeting hall.
10. Reappointment of Directors
P N Roy was appointed as a Director on 29th October 2004. He is an Ex-Chairman of M/s Indo Ashai Glass Co. Ltd.
Shakir Ali was appointed as a Director on 11th June 1987 He is an Advocate and reputed Labour Advisor. Currently he is also a director of M/s Eri-tech Limited.

By Order of the Board
Alok Pandey
G.M. Finance & secretary
Place | Kolkata
Date | 12th June, 2007

Directors' Report

to the Members

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2007.

Performance of the Company

Your Directors are pleased to inform you that during the year under review, your Company's turn over and profit before tax has increased by 17.62% and 12.60% respectively over the previous year's level. This significant improvement has been possible due to increase in volume of production, aggressive marketing and effective cost control.

The summarized results of the current year's performance are given hereunder :

Sl. No.	Particulars	Rs. in lakhs Year ended 31st March '07	Rs. in lakhs Year ended 31st March '06
1	Net Sales / Income from operations	5420.42	4606.20
2	Other Income	54.09	154.85
3	Total expenses before interest and depreciation	4553.79	3962.59
4	Interest	19.10	6.93
5	Gross profit after interest but before depreciation	901.62	791.53
6	Depreciation	200.30	168.70
7	Profit before taxation	701.32	622.83
8	Tax expenses	243.66	193.04
9	Net profit	457.66	429.78
10	Tax for earlier year	(3.13)	(6.27)
11	Surplus available	454.54	423.51
12	Dividend	158.96	119.22
13	Tax on Dividend	27.01	16.72
14	Transferred to General Reserve	43.00	43.00
15	Balance as per last year	1035.42	790.85
16	Balance carried to Balance Sheet	1260.97	1035.42

Dividend

Your Directors are pleased to propose the payment of Dividend @15% for your approval for the year ended 31st March 2007.

Corporate governance

Management Discussion and Analysis, Corporate Governance Report and the Auditors' Certificate regarding compliance of the same are given separately, which form part of this Report.

Responsibility statement

Your Directors confirm that in preparation of the accounts the applicable accounting standards have been followed.

Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

That the Directors have prepared the accounts for the financial year ended 31st March, 2007 on a "going concern" basis.

Auditors

Messrs. Rajneesh Agarwal & Co. Chartered Accountants have not offered themselves for reappointment as Auditors of the company. A Notice under Sec. 225 of the Companies Act, 1956 has been received from a shareholder of the Company proposing to appoint M/s Doshi, Chatterjee, Bagri & Co. as Auditors of the Company.

Annexure 'A' to Directors' Report
for the year ended March 31st, 2007

Acknowledgment

The Directors express their grateful appreciation for the assistance and cooperation extended by Banks, various Government and other agencies, shareholders and the suppliers and solicit their continued support. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

Unit	2006-2007	2005-2006
Electricity	69,508	5,178,271
Unit : KWH		
Total Amount	6.32	102.78
(Rs. Lakhs)		
Rate \ Unit (Rs.)	9.13	4.72
Own Generation		
Through Diesel Generator		
Unit : KWH	4,870,106	1,948,749
Unit/Litre of diesel oil	3.49	3.33
Cost \ Unit (Rs.)	4.99	8.26
Furnace Oil		
Quantity		
Unit : Litre	3,083,485	2,491,258
Total cost	239.47	402.31
(Rs. Lakhs)		
Cost \ Unit (Rs.)	17.20	16.22

By Order of the Board
A.C.Chakrabortti
Chairman
Place | Kolkata
Date | 12th June, 2007

Comments on auditors' report
The Report of the Auditors read with the Notes on Accounts is self-explanatory and needs no further clarification.

Directors

P N Roy and Shakir Ali are retiring from the office of the Directors by rotation and being eligible offer themselves for re-appointment.

Conservation of energy and technology absorption and foreign exchange earnings and outgo

In accordance with the requirement of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to conservation of energy and technology absorption and foreign exchange earnings and outgo are given in Annexure 'A' forming part of this report.

Particulars of employees

The company has no employee employed during the year or part of the year in receipt of remuneration in excess of the sum prescribed under Section 217(2A) of the Companies Act, 1956.

A.C.Chakrabortti
Chairman
Place | Kolkata
Date | 12th June, 2007

Annexure 'A' to Directors' report

for the year ended March 31st, 2007

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217(1)(e) of the Companies Act, 1956.
The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

	2006-2007	2005-2006
A. Conservation of Energy		
1. Electricity		
a Purchased		
Unit : KWH	69,508	2,178,271
Total amount (Rs. Lakhs)	6.35	102.78
Rate / Unit (Rs.)	9.13	4.72
b Own Generation		
Through Diesel Generator		
Unit : KWH	4,870,106	1,948,749
Unit/Litre of diesel oil	3.49	3.33
Cost / Unit (Rs.)	4.99	8.26
2. Furnace Oil		
Quantity		
Unit : Litre	3,083,482	2,491,528
Total cost (Rs. Lakhs)	539.47	405.31
Cost / Unit (Rs.)	17.50	16.27

3. LDO		
Quantity		
Unit : Litre	--	21,390
Total cost (Rs. Lakhs)	--	4.96
Cost / Unit (Rs.)	--	23.19
4. Others		
	2006-2007	2005-2006
a HSD		
Quantity		
Unit : Litre	18,586	111,797
Total cost (Rs. Lakhs)	5.50	29.63
Cost / Unit (Rs.)	29.60	26.50
b GAS		
Quantity		
Unit : Kgs.	762,725	623,032
Total cost (Rs. Lakhs)	242.98	192.88
Cost / Unit (Rs.)	31.86	30.95
5. Consumption Per Unit of Production		
Unit	16,930,744	15,015,206
Electricity : KWH	0.29	0.27
Furnace Oil: Litre	0.18	0.17
LDO : Litre	--	0.01
HSD : Litre	--	0.01
GAS : Kgs	0.05	0.04

B Technology Absorption

The continuous research is being made with an objective to improve the quality of the product and to reduce rejection, energy and raw material cost. Several tangible and intangible benefits are derived in area of energy consumption and product quality.

C Foreign Exchange Earnings & Outgo

Particulars with regard to Foreign Exchange Earnings and Outgo appear in Schedule 16 to the accounts.

On behalf of the Board
A.C.Chakraborti
Chairman
Place | Kolkata
Date | 12th June, 2007