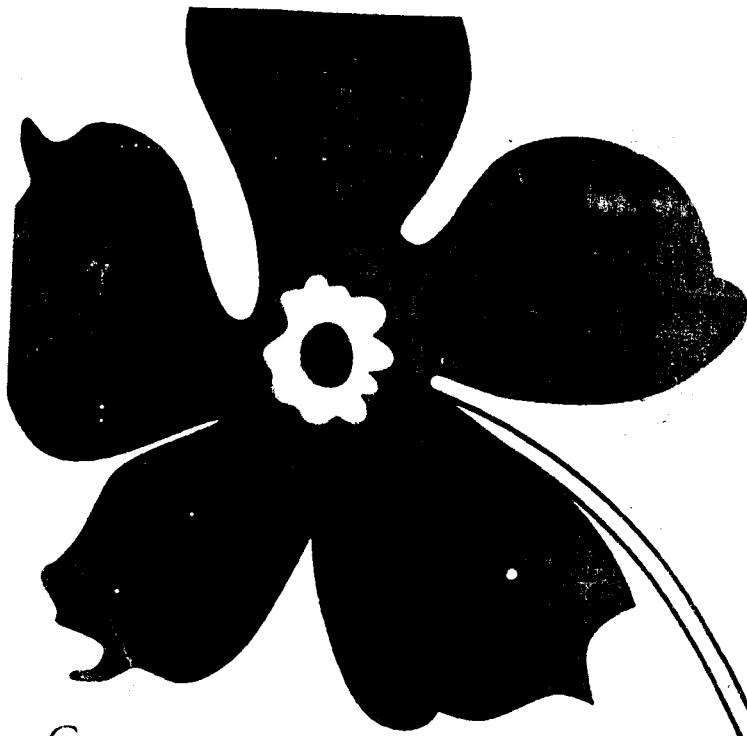


LA OPALA RG LIMITED
21st Annual Report
2007 - 08

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LA OPALA RG LIMITED

21st Annual Report

2007 - 2008

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 Rajiv Gujral

General Manager
Finance & Secretary Alok Pandey

Auditors Doshi, Chatterjee, Bagri & 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

LA OPALA 21
1987 2008

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LA OPALA RG LIMITED

Notice

NOTICE is hereby given that **21st Annual General Meeting** of the Company will be held at **Gyan Manch at 11, Pretoria Street, Kolkata 700 071 on Saturday the 27th September, 2008 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, 2008
2. To declare dividend for the year ended 31st March, 2008
3. To appoint a Director in place of Mr A. C. Chakraborti who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr Arun Churiwal who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

As Special Business**6. As Ordinary Resolution**

To consider and if thought fit, to pass with or without modifications, the following, resolution:

"RESOLVED THAT pursuant to section 257 and other applicable provisions, if any, of the Companies Act, 1956 Mr Rajiv Gujral in respect of whom the company has received a notice in writing along with a deposit of Rs. 500/- from some members signifying their intention to propose him a candidate for the office of the director liable to retire by rotation be and is hereby appointed director of the Company."

7. As Special Resolution

To consider and if thought fit, to pass with or without modifications, the following, resolution:

"RESOLVED THAT Mr Sushil Jhunjunwala who was reappointed as Managing Director of the company for a period of 5 years w.e.f 1st October, 2004 and receiving remuneration as detailed in Annexure B and as approved by the members in the 17th Annual General Meeting and the Remuneration Committee, be paid a minimum remuneration during the year of inadequacy of profit or absence of profit for a remaining period of his appointment with effect from 01.04.2008 in accordance with the provisions of and subject to the ceiling prescribed for the time being under Schedule XIII to and other applicable sections of the Companies Act, 1956 or any statutory modification(s) thereof from time to time and the Board of Directors be and are hereby authorized to apply to the Central Government in connection with the Managerial Remuneration, if and when necessary"

8. As Special Resolution

To consider and if thought fit, to pass with or without modifications, the following, resolution:

"RESOLVED THAT Mr Ajit Jhunjunwala who was reappointed as Dy. Managing Director of the company for a period of 5 years w.e.f 1st October, 2007 and receiving remuneration as detailed in Annexure B and as approved by the members at the 20th Annual General

Meeting and the Remuneration Committee, be paid a minimum remuneration during the year of inadequacy of profit or absence of profit for a period of 3 years with effect from 01.04.2008 in accordance with the provisions of and subject to the ceiling prescribed for the time being under Schedule XIII to and other applicable sections of the Companies Act, 1956 or any statutory modification(s) thereof from time to time and the Board of Directors be and are hereby authorized to apply to the Central Government in connection with the Managerial Remuneration, if and when necessary".

9. As Special Resolution

To consider and if thought fit, to pass with or without modifications, the following, resolution:

"RESOLVED THAT pursuant to provision of Section 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mrs. Nidhi Jhunjunwala, a relative of Mr. Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company to hold the office or place of profit as Senior Manager : Product Development of the Company with effect from 1st October, 2008 at an enhanced/changed remuneration as per details given below:

- | | |
|-------------------------------------|--|
| a. Basic Salary | : Rs. 27500/- (Rupees twenty seven thousand five hundred only) per month |
| b. Perquisites | |
| i. House Rent Allowance | : 25% of Basic Salary |
| ii. Special Allowance | : Rs. 3,000/- (Rupees three thousand only) per month. |
| iii. Contribution to Provident Fund | : As per Rules of the company |
| iv. Bonus | : As per Rules of the company |
| v. Medical | : 15 days of Basic Salary in a year |
| vi. Gratuity | : As per Rules of the company |
| vii. Leave | : As per Rules of the company |

10. As Special Resolution

To consider and if thought fit, to pass with or without modifications, the following, resolution:

"RESOLVED THAT pursuant to provision of Section 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mrs. Shruti Kishorepuria, a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company to hold the office or place of profit as Executive Product Development of the Company with effect from 1st October, 2008 at an enhanced/changed remuneration as per details given below:

- | | |
|-------------------------------------|--|
| a. Basic Salary | : Rs. 25000/- (Rupees twenty five thousand only) per month |
| b. Perquisites | |
| i. House Rent Allowance | : 25% of Basic Salary |
| ii. Special Allowance | : Rs. 2,500/- (Rupees two thousand five hundred only) per month. |
| iii. Contribution to Provident Fund | : As per Rules of the company |
| iv. Bonus | : As per Rules of the company |
| v. Medical | : 15 days of Basic Salary in a year |
| vi. Gratuity | : As per Rules of the company |
| vii. Leave | : As per Rules of the company |

By Order of the Board

Alok Pandey | G.M. Finance & secretary
Kolkata, 26th June, 2008

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 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 18th September, 2008 to 27th September, 2008 (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 18th September, 2008.
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**

Sri A. C. Chakraborti, aged about 78 years was appointed as a Director on 29th October 1994. He is a reputed Chartered Accountant with wide experience in the field of Audit & Management Consultancy. Currently he is Chairman in M/s United Nano-Tech Products Ltd. and Vice Chairman in Grindwell Norton Ltd. He is a Director in M/s Binani Industries Ltd, M/s Jagsonpal Pharmaceuticals Ltd, M/s Rasoi Industries Ltd, M/s Texmaco Ltd., M/s Peerless General Finance & Investment Company Ltd., Calcutta Metropolitan Group Ltd., M/s Chandras Chemicals Ltd., M/s Denso India Ltd., M/s Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd., M/s United Credit Belani Properties Ltd. and M/s Coastal Roadways Ltd. He is also a Chairman of the Audit Committee of M/s Peerless General Finance & Investment Company Ltd., M/s Grindwell Norton Ltd., M/s Denso India Ltd., M/s Texmaco Ltd. and the member of the Audit Committee of M/s Binani Industries Ltd. and M/s Jagsonpal Pharmaceuticals Ltd. He is also a Chairman of Gopal Chakraborty Charitable Trust and the Governing Committee member of Bawa-Lalwani Public School, Kapurthala. As on 31.03.2008 he was holding 2000 Equity shares of the company.

Sri Arun Churiwal, aged about 58 years was appointed as a Director on 26th June 2004. He is an Hons. Graduate in Political Science and has in-depth working experience. He is presently the Chairman cum Managing Director of M/s BSL Ltd. and holding the directorship in M/s RSWM Ltd., M/s Bhilwara Processors Ltd., M/s LNJ Financial Services Ltd., M/s Siltex Ltd., M/s Churiwal Properties & Investments Pvt Ltd., M/s PRC Niyojan Pvt. Ltd. He is a Governing Council Member of M/s LNJ Bhilwara Anusandhan Vikas Kendra and a Managing Committee Member of Merchants' Chamber of Commerce. As on 31.03.2008 he was holding 1340 Equity shares of the company.

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

Item No. (6)

Mr Rajiv Gujral was appointed as an Additional Director of the Company on 26th October, 2007 by the Board of Directors of the Company. According to the provision of the Section 260 of the

Companies Act 1956 he holds office as Director only up to the date of ensuing Annual General Meeting. As required under Section 257 of the Companies Act, notice has been received from some member signifying their intention to propose him as a Director. He has graduated in Business Management with Marketing as core subject from Benaras University. He is presently a Director of M/s Taj International Hotels (HK) Ltd., Hongkong, M/s Oriental Hotels (HK) Ltd., Hongkong, M/s Peerless Hotels Ltd., Kolkata, M/s Peerless Hospitex Hospital & Research Centre Ltd., Kolkata, All India Council of Technical Education, New Delhi. He is also a Managing Trustee of Indian Crafts Village Trust, Kolkata and Chairman of All India Board of Hotel Management and Catering Technology (appointed by the Union Ministry of Human Resource).

Excepting Mr Rajiv Gujral no other director is interested in this resolution.

Item No. (7)

Mr. Sushil Jhunjunwala was reappointed as Managing Director of the Company for a period of 5 years from 1st October 2004 on certain terms and conditions of remuneration.

As recommended by the Remuneration Committee, the Board of Directors wishes to ensure certain Minimum Remuneration to Mr Sushil Jhunjunwala in the event of inadequacy or absence of profits. Such payment of Minimum Remuneration requires approval of the Shareholders by means of Special Resolution. The conditions stipulated for payment of Minimum Remuneration have been complied with.

Excepting Mr Sushil Jhunjunwala & Mr Ajit Jhunjunwala no other director is interested in this resolution.

Item No. (8)

Mr Ajit Jhunjunwala was reappointed as Dy. Managing Director of the Company for a period of 5 years from 1st October 2007 on certain terms and conditions of remuneration. As recommended by the Remuneration Committee, the Board of Directors wishes to ensure certain Minimum Remuneration to Mr Ajit Jhunjunwala in the event of inadequacy or absence of profits. Such payment of Minimum Remuneration requires approval of the Shareholders by means of Special Resolution. The conditions stipulated for payment of Minimum Remuneration have been complied with.

Excepting Mr Sushil Jhunjunwala & Mr Ajit Jhunjunwala no other director is interested in this resolution.

The requisite information required in terms of Schedule XIII to the Act in relation to both, item no. 7 & 8 is given in Annexure 'A'.

Item No. (9)

Mrs Nidhi Jhunjunwala, relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company was appointed as Executive Product Design on a Basic Salary of Rs. 10000/- per month in the scale of 10000/- to 15000/- along with other perquisites with effect from 1st July, 2002 and her appointment was approved by the members of the company in the 15th Annual General Meeting of the company pursuant to Section 314 of the Companies Act, 1956. As the enhancement of remuneration is beyond the time scale the company seeks the approval for such enhancement.

Excepting Mr Sushil Jhunjunwala & Mr Ajit Jhunjunwala no other director is interested in this resolution.

Item No. (10)

Mrs Shruti Kishorepuria, relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company was appointed as Executive Product Design on a Basic Salary of Rs. 10000/- per month in the scale of 10000/- to 15000/- along with other perquisites with effect from 1st October, 2005 and her appointment was approved by the members of the company in the 18th Annual General Meeting of the company pursuant to Section 314 of the Companies Act, 1956. As the enhancement of remuneration is beyond the time scale the company seeks the approval for such enhancement.

Excepting Mr Sushil Jhunjunwala & Mr Ajit Jhunjunwala no other director is interested in this resolution.



LA OPALA RG LIMITED

Annexure 'A'

Information in terms of schedule XIII to the Companies Act, 1956.
(In connection with Item No.7 and 8 the Notice / Explanatory Statement)

I. General Information

- Nature of Industry: Glass & Glassware
- Date or expected date of commencement of commercial production: Existing Company
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- Financial performance based on given indicators per (As audited financial statements for the year ended 31.03.2008)
 Net Sales & Income
 from operation Rs. 5594.22 lacs
 EBITDA Rs. 696.02 lacs
 Net Profit Rs. 103.14 lacs
- Export performance and net foreign exchange earnings (As per audited financial statements for the year ended 31.03.2008).
 Exports Rs 1302.20 lacs
 Import Rs 608.01 lacs
 Net Earnings in foreign exchange by exports Rs 694.19 lacs
- Foreign Investments or collaborators, if any Not Applicable.

II. Information about the appointee

- Mr Sushil Jhunjunwala**, aged 58 years is a Commerce Graduate and has over 38 years of experience in Glass & Tableware industry. He is one of the main promoter of the Company and he is holding the post of Managing Director since October 1994. He has held various positions of eminence. He was President of Society of Glass Technology (U.K.) Indian Section, President of Calcutta Chamber of Commerce and President of All India Glass Manufacturers Association. He is presently a Director of M/s Genesis Exports Ltd., M/s BSL Ltd., M/s SKJ Estate Pvt. Ltd., M/s Ishita Housing Pvt. Ltd. and M/s Anuradha Designers Pvt. Ltd. and a Trustee in Brahmdukt Jhunjunwala Charitable Trust.
- Mr Ajit Jhunjunwala**, aged 38 years is a Commerce Graduate and has over 18 years experience in Glass and Tableware industry. He was the President of Eastern India Glass Manufacturers' Association. He is presently a Director of M/s Genesis Exports Ltd., M/s SKJ Estate Pvt. Ltd., M/s Ishita Housing Pvt. Ltd. and M/s Anuradha Designers Pvt. Ltd. and a Trustee in Brahmdukt Jhunjunwala Charitable Trust.

- Past remuneration
 Mr Sushil Jhunjunwala
 Rs 20,37,600/- for the year 2007-08
 Rs 35,28,675/- for the year 2006-07
 Rs 33,63,609/- for the year 2005-06
 Mr Ajit Jhunjunwala
 Rs 19,76,400/- for the year 2007-08
 Rs 27,60,928/- for the year 2006-07
 Rs 26,84,469/- for the year 2005-06

- Recognition or awards None
- Job Profile and his suitability Subject to the superintendence, direction and control of the Board, the day-to-day management and administration are vested to them
- Remuneration proposed Mr Sushil Jhunjunwala, Managing Director's remuneration was approved at the 17th Annual General Meeting held on 11th September 2004 and Mr Ajit Jhunjunwala's remuneration was approved at the 20th Annual General Meeting held on 4th September 2007 by the Members of the Company by passing Ordinary Resolution. In case of inadequacy or absence of profit, Special Resolution is required for payment of Minimum Remuneration. No increase in remuneration is proposed and the remuneration payable to Mr Sushil Jhunjunwala and Mr Ajit Jhunjunwala will continued to be paid on the same terms and conditions as approved by the members in the 17th and 20th Annual General Meeting
- Comperative remuneration Profile Taking into consideration the size of the company and the responsibilities shouldered by Mr. Sushil Jhunjunwala and Mr Ajit Jhunjunwala the remuneration package is commensurate with the package paid to managerial persons of other company
- Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any Besides, the remuneration proposed as aforesaid, and the remuneration payable to their relatives Mrs Nidhi Jhunjunwala and Mrs Shruti Kishorpuria, and interest payable on unsecured loan which is below the Bank Rate, Managing Director and Dy Managing Director do not have any other pecuniary relationship with the company

III. Other Information

- Reasons for loss or inadequate Profits The company's new plant for Opal Glassware at Sitarganj, which incorporates the latest state of art technology in production of Opal Glassware, suffered due to delay in commencement of commercial production on account of initial teething troubles and synchronization problem
- Steps taken or proposed to be taken for improvement The steps have already been taken to stabilize the operation of Sitarganj Plant. The shareholders are also requested to refer to the Directors' Report for further details.
- Expected increase in productivity and profits in measurable terms With the stabilization of Sitarganj Plant the productivity profit is expected to improve, barring unforeseen circumstances.

IV. Disclosures

The details of remuneration package of Mr Sushil Jhunjunwala and Mr Ajit Jhunjunwala were furnished to the shareholders at the time of calling 17th and 20th Annual General Meeting of the company and their remuneration package were duly approved by the shareholders by passing Ordinary Resolution. However approved remuneration package is also given in Annexure B The Corporate Governance Report forms the part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

Annexure 'B'Remuneration Details as approved by the Shareholders in
17th and 20th Annual General Meeting

	Remuneration of Mr Sushil Jhunjhunwala (As approved in 17th Annual General Meeting)	Remuneration of Mr Ajit Jhunjhunwala (As approved in 20th Annual General Meeting)
Salary	Rs 100,000/- per month in the scale of Rs. 100,000/- - Rs.250,000/-	Rs125,000/- per month in the scale of Rs. 125,000/- - Rs.250,000/-
Perquisites	<p>In addition to the above, Mr Sushil Jhunjhunwala 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 & repair, medical reimbursement, leave travel concession for himself and his family, club fee, 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 Mr Sushil Jhunjhunwala. Such perquisites for each year not to exceed his annual salary.</p> <p>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.</p> <p>Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites. Company's contribution to Provident Fund is not taxable under the Income Tax Act. Gratuity payable as per rules of the company and encashment of leave shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.</p>	<p>In addition to the above, Mr Ajit Jhunjhunwala 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 & repair, medical reimbursement, leave travel concession for himself and his family, club fee, 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 Mr Ajit Jhunjhunwala. Such perquisites for each year not to exceed his annual salary.</p> <p>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.</p> <p>Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites. Company's contribution to Provident Fund is not taxable under the Income Tax Act. Gratuity payable as per rules of the company and encashment of leave shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.</p>
Commission	As may be decided by the Board of Directors, within the overall ceiling stipulated as per the provisions of the Companies Act, 1956.	As may be decided by the Board of Directors, within the overall ceiling stipulated as per the provisions of the Companies Act, 1956.
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.	On full pay and allowance as per the rules of the Company but not exceeding one month's leave for eleven months of service.
Others	Mr Sushil Jhunjhunwala 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.	Mr Ajit Jhunjhunwala 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.

By Order of the Board
Alok Pandey | G.M. Finance & secretary
Kolkata | 26th June, 2008

LA OPALA®

LA OPALA RG LIMITED

Directors' Report to the Members

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2008.

Performance Review of the Company

During the year under review, the company's Madhupur Plants for Opal Glassware and Crystal, continued to operate at normal levels, with the result that the sales and profits are in line with and comparable to that of the previous year. This was achieved, despite the fact that the company's profits on the export front, which accounts for more than 20% of sales, suffered due to unforeseen appreciation in the rupee value in terms of the dollar. To make matters more difficult, the company's new plant for Opal Glassware at sitarganj, involving a cost of Rs. 3785.83 lacs, which incorporates the latest state of art technology in production of Opal Glassware, suffered due to delay in commencement of commercial production on account of initial teething troubles and synchronization problems. As a result substantial loss, including depreciation and interest of Rs. 265.23 lacs was incurred.

All expenses relating to this period, including depreciation and interest, have been charged to the Profit and Loss Account and these accounts for the substantial overall reduction in profit for the year as compared to that of the previous year.

We are, however, pleased to report that the operations at the plant have stabilized. In consequence, the prospects of higher sales and profits for the current year are quite encouraging. The management has taken all steps for development of appropriate organizational structure and recruitment of appropriate human resources to deal with the problem of future growth.

The management is aware and concerned about the impact of higher fuel price, increase in costs due to inflationary pressures and also the fluctuation in the rupee exchange rate on the future growth in sales and profit. Necessary steps been already initiated to deal with the problems as are deemed fit on consideration of all issues relevant thereto.

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

Sl. No.	Particulars	Rs. in lacs Year ended 31st March '08	Rs. in lacs Year ended 31st March '07
1	Net Sales / Income from operations	5594.22	5420.42
2	Other Income	53.36	54.09
3	Total expenses before interest and depreciation	4951.56	4553.79
4	Interest	187.31	19.10
5	Gross profit after interest but before depreciation	508.71	901.62
6	Depreciation	348.39	200.30
7	Profit before taxation	160.32	701.32
8	Tax expenses	57.18	243.66
9	Net profit	103.14	457.66
10	Tax for earlier year	(3.11)	(3.13)
11	Surplus available	100.03	454.54
12	Dividend	79.48	158.96
13	Tax on Dividend	13.51	27.01
14	Transferred to General Reserve	NIL	43.00
15	Balance as per last year	1260.97	1035.42
16	Balance carried to Balance Sheet	1268.01	1260.97

Dividend

Your Directors are pleased to propose the payment of Dividend @ 7.50% for your approval for the year ended 31st March 2008.

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 judgments 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, 2008 on a 'going concern' basis.

Auditors

M/s Doshi, Chatterjee, Bagri & Co., retire and are eligible for reappointment. As per proviso to Section 224(1) of the Companies Act, 1956, a written certificate has been obtained by the Company from the Auditors stating that if they are reappointed Auditors of the Company, such re-appointment would be within the limits specified in Section 224(1B) of the Companies Act, 1956.



Annexure 'A' to Directors' report

For the year ended March 31st, 2008

Conservation of Energy, Technology Absorption and Foreign 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

Comments on Auditors' Report

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

Directors

Sri A C Chakrabortti and Sri Arun Churiwal are retiring from the office of the Directors by rotation and being eligible offer themselves for re-appointment.

Mr Rajiv Gujral who was appointed as Additional Director on 26th October, 2007 will vacate the office at the forthcoming Annual General Meeting. Necessary notices have been received from certain members under section 257 of the Companies Act, 1956 signifying their intention to propose the appointment of Mr Rajiv Gujral as a Director of the Company liable to retire by rotation.

Conservation of energy and technology absorption, 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.

Acknowledgements

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.

	2007-2008	2006-2007
A. Conservation of Energy		
1. Electricity		
a Purchased		
Unit : KWH	40,15,550	69,508
Total amount (Rs. Lacs)	120.99	6.35
Rate / Unit (Rs.)	3.01	9.13
b Own Generation through Diesel Generator		
Unit : KWH	51,20,333	48,70,106
Unit/Litre of diesel oil	3.37	3.49
Cost / Unit (Rs.)	6.07	4.99
2. Furnace Oil		
Quantity		
Unit : Litre	22,73,655	30,83,482
Total cost (Rs. Lacs)	464.36	539.47
Cost / Unit (Rs.)	20.42	17.50
3. Others		
a HSD		
Quantity		
Unit : Litre	79,722	18,586
Total cost (Rs. Lacs)	22.85	5.50
Cost / Unit (Rs.)	28.66	29.60
b GAS		
Quantity		
Unit : Kgs.	7,42,475	762,725
Total cost (Rs. Lacs)	277.13	242.98
Cost / Unit (Rs.)	37.33	31.86
4. Consumption Per Unit of Production		
Unit	1,63,25,627	16,930,744
Electricity : KWH	0.56	0.29
Furnace Oil: Litre	0.14	0.18
HSD : Litre	0.005	--
GAS : Kgs	0.045	0.05

B. Technology Absorption

Continuous research is being made with an objective to improve the quality of the product and to reduce rejection, energy and raw material cost.

C. Foreign Exchange Earnings & Outgo

Particulars with regard to Foreign Exchange Earnings and Outgo appear in schedule 15 to the accounts.

By Order of the Board
A. C. Chakrabortti | Chairman
Kolkata | 26th June, 2008

On behalf of the Board
A. C. Chakrabortti | Chairman
Kolkata | 26th June, 2008



LA OPALA RG LIMITED

Annexure to Directors' report

Corporate Governance Report (Pursuant to clause 49 of the Listing Agreement)

1. Company Philosophy

The company firmly believes in and has proactively adopted the adequate policies of Corporate Governance to ensure transparency, professionalism and accountability in its dealings with shareholders, customers, creditors, employees and with every person who comes in contact with the company.

2. Board of Directors

The business of the company is managed by the Board of Directors ("the Board"). The Managing Director alongwith Executive Director manages day to day operations of the Company. As on 31st March 2008 the Board consisted of two executive and six non-executive Directors. During the financial year under review five Board Meetings were held on the following dates: June 12, 2007; July 30, 2007; September 04, 2007; October 26, 2007; January 31, 2008.

Constitution of Board of Directors and related information

Name of the Director	Category	No. of Board Meetings Attended	Attendance At last AGM	No. of outside Directorships excluding Private Companies as on March 31, 2008	No. of outside Board Committee membership/ Chairmanship excluding Private Companies as on March 31, 2008
A. C. Chakraborti	Chairman Non Executive & independent	5	Yes	13	6 (including 4 chairmanships)
Sushil Jhunjhunwala	Managing Director	5	Yes	2	Nil
Ajit Jhunjhunwala	Dy. Managing Director	5	Yes	1	Nil
Arun Churiwal	Non Executive & independent	4	No	5	Nil
P. N. Roy	Non Executive & independent	Nil	No	Nil	Nil
G. Narayana	Non Executive & independent	5	Yes	4	Nil
Shakir Ali	Non Executive & independent	4	Yes	1	Nil
Rajiv Gujral*	Non Executive & independent	2	N.A.	4	Nil

There are no pecuniary relationships or transaction of non-executive directors vis-à-vis the company.

* Appointed as additional director on 26th October, 2007.