

# RECREATING THE MAGIC

23rd Annual Report 2009-10



La Opala RG Limited

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In 1998, La Opala mesmerized Indian households by adding magic into their lifestyle with the introduction of opalware, a uniquely attractive tableware category. Today, two decades later; the brand still synonymous with opalware, continues to be a trendsetter amongst those who have a penchant for style.

Last year, to upgrade its offering, La Opala launched Diva, a premium range of dinnerware. Manufactured precisely and designed exquisitely at a fully automated plant, Diva was able to command a premium price for its superior make, light body and stunning designs. Adding glamour to the Diva range was another diva Bipasha Basu who signed in as its brand ambassador. A tastefully created television commercial and some extensive marketing promotions saw the same magic being recreated as sales touched higher volumes post launch!

Similarly, La Opala's premium crystal brand Solitaire Crystal continued to bedazzle the market by expanding footprints considerably across many countries around the world. Unleashing stunning new shapes cut out to impress the who's who, Solitaire Crystal sold more than ever, in the first quarter this year.

Now, as we step into a new financial year, we would like to not just recreate the magic of yesteryears but strive for bigger markets and higher profits.

## Board of Directors

Chairman	:	A.C. Chakrabortti
Managing Director	:	Sushil Jhunjunwala
Dy. Managing Director	:	Ajit Jhunjunwala
Directors	:	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 email: laopala@eth.net website: www.laopala.in
Works	:	Post Madhupur, Dist. Deoghar Jharkhand  B-108 ELDECO SIDCUL Industrial Park Sitargunj, Udham Singh Nagar Uttarakhand 262 405



NOTICE is hereby given that 23rd Annual General Meeting of the Company will be held at 'Gyan Manch' at 11, Pretoria Street, Kolkata 700 071 on Saturday, August 28, 2010 at 12 noon to transact the following business:

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report, Auditors' Report and Audited Statement of Accounts for the year ended March 31, 2010.
2. To declare dividend for the year ended March 31, 2010.
3. To appoint a Director in place of Sri Rajiv Gujral who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri A C Chakrabortti 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 modification, the following resolution:

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or re-enactment thereof, Mrs Nidhi Jhunjunwala who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company not liable to retire by rotation."

##### 7. As Special Resolution:

To consider and if thought fit, to pass with or without modification, the following, resolution;

"RESOLVED THAT pursuant to 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 approval of the Company be and is hereby accorded to the appointment of Mrs Nidhi Jhunjunwala as a Whole-time Director of the Company for a period of 5 (five) years with effect from May 20, 2010 on the following terms and conditions, provided such remuneration is also to be a minimum remuneration payable to Mrs Nidhi Jhunjunwala in the event of loss or inadequacy of the profits of the company in any financial year."

##### a. Salary

Rs. 75,000/- per month in the scale of Rs. 75,000./- – Rs. 1,50,000/-.

##### b. Perquisites

- (i) In addition to the above, Mrs Nidhi 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 & repair, medical reimbursement, leave travel concession for herself and her 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 Mrs Nidhi Jhunjunwala. Such perquisites for each year not to exceed her 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.

- (ii) 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.

##### 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. Mrs Nidhi Jhunjunwala shall also be entitled to be reimbursed all entertainment and/or travelling, hotel and other expenses actually incurred by her in performance of the duties on behalf of the Company.

##### 8. As Special Resolution

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

"RESOLVED THAT pursuant to provisions of Section 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr Himanshu Jhunjunwala, a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala,

# NOTICE

Dy. Managing Director of the Company to hold the office or place of profit as Manager – New Business Development of the Company with effect from April 1, 2010 as per the following terms:

(a) Basic Salary	:	Rs. 10,000/- (Rupees ten thousand only) per month.
(b) Perquisites		
(i) House Rent Allowance	:	Rs. 3,000/- (Rupees three thousand only) per month;
(ii) Special Allowance	:	Rs. 10,350/- (Rupees ten thousand three hundred fifty only) per month;
(iii) Reimbursement of Conveyance not exceeding	:	Rs. 3,000/- (Rupees three thousand only) per month;
(iv) Contribution to Provident Fund	:	As per the rules of the Company; Bonus & Medical Allowance as per the rules of the Company;

Place: Kolkata  
Date: May 20, 2010

By Order of the Board  
ALOK PANDEY  
**G.M. Finance & Secretary**

## 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 August 19, 2010 to August 28, 2010 (both days inclusive).
5. Members are requested to bring their copy of the Annual Report to the Meeting.
6. 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.
7. Members of the Company are requested to intimate immediately to the Registered Office of the Company about the change of address, if any.
8. Members/Proxies are requested to bring the Attendance Slip duly filled in and hand it over at the entrance of the Meeting hall.
9. Reappointment of Directors

Sri Rajiv Gujral was appointed as a Director on October 26, 2007. He is a graduate 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, M/s IHMS (HK) Ltd, 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). As on March 31, 2010 he was holding 'NIL' equity share of the Company.

Sri A C Chakrabortti was appointed as a Director on October 29, 1994. He is a reputed Chartered Accountant with wide experience in the field of Audit & Management Consultancy. Currently, he is Chairman of M/s United Nano-Tech Products Ltd, 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, M/s Peerless Fund Management Company Ltd, M/s Chandras Chemicals Ltd, M/s Denso India Ltd, M/s Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. 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 Chairman of Gopal Chakraborty Charitable Trust and the Governing Committee member of Bawa – Lalwani Public School, Kapurthala. As on March 31, 2010 he was holding 2000 Equity shares of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. (6)**

Mrs Nidhi Jhunjunwala was appointed as an Additional Director of the Company on May 20, 2010 by the Board of Directors of the Company. According to the provision of the Section 260 of the Companies Act, 1956 she holds office as a 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 members signifying their intention to propose her as a Director.

Excepting Mr Sushil Jhunjunwala and Mr Ajit Jhunjunwala, no other Director is interested in this resolution.

**Item No. (7)**

Mrs Nidhi Jhunjunwala was appointed by the Board of Directors as an Executive – Product Design with effect from July 1, 2002 and subsequently re-designated as Sr. Manager – Product Development with effect from October 1, 2008. She has done graphic designing course from Arena Multimedia and her knowledge in development of product design is of immense benefit to the Company. She is also a Director in M/s Genesis Exports Ltd. The Board of Directors has appointed her as a Whole-time Director of the Company with effect from May 20, 2010 and seeks approval of the shareholders for her appointment as well as payment of remuneration as stated in the resolution.

Excepting Mr Sushil Jhunjunwala and Mr Ajit Jhunjunwala, no other Director is interested in this resolution.

**Item No. (8)**

Mr Himanshu Jhunjunwala a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company was appointed by the Board of Directors as a Manager - New Business Development with effect from April 1, 2010. He is a B.B.A. Hons. in Marketing from EILM. He has been inducted in the Company with effect from for the purpose of developing trading activities of the Company. As he is a relative of Director, to hold office or place of profit as Manager - New Business Development requires Shareholders' approval and so the Company seeks the authority for such appointment.

Excepting Mr Sushil Jhunjunwala and Mr Ajit Jhunjunwala, no other Director is interested in this resolution.

Place: Kolkata  
Date: May 20, 2010

By Order of the Board  
ALOK PANDEY  
G.M. Finance & Secretary

# DIRECTOR'S REPORT

## To the Members

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2010.

## Performance Review of the Company

Your Directors are pleased to inform that during the year under review, the Company's Turnover has increased by 19.78% over the previous year's result and Profit Before Tax has increased to Rs. 276.73 lacs from Rs. 81.40 lacs. This significant improvement has been possible due to increase in volume and effective cost control.

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

Sl. No.	Particulars	Rs. in lacs Year ended March 31, 2010	Rs. in lacs Year ended March 31, 2009
1	Net Sales/Income from operations	7782.55	6526.42
2	Other Income	13.52	50.42
3	Total expenses before interest and depreciation	6514.65	5529.89
4	Interest	405.23	412.87
5	Gross profit after interest but before depreciation	876.19	634.08
6	Depreciation	428.31	463.34
7	Profit before taxation	447.88	170.74
8	Tax expenses	171.15	89.34
9	Net profit	276.73	81.40
10	Tax for earlier year	-	-
11	Surplus available	276.73	81.40
12	Dividend	79.48	-
13	Tax on Dividend	13.51	-
14	Transferred to General Reserve	-	-
15	Balance as per last year	1349.41	1268.01
16	Balance carried to Balance Sheet	1533.16	1394.41

## Dividend

Your Directors are pleased to propose the payment of Dividend @ 7.50% for your approval for the year ended March 31, 2010.

## 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 March 31, 2010 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.

## Comments on Auditors' Report

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

## Directors

Mrs Nidhi Jhunjhunwala was appointed as an additional Director with effect from May 20, 2010. She was also appointed as a Whole-time Director for five years. In terms of Section 260 of the Companies Act, 1956 she will hold office only up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from members proposing her candidature for the office of Director not liable to retire by rotation.



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

Mr Purnendu Narayan Roy, an Independent Director resigned from the Board with effect from August 21, 2009. The Board placed on record its deep sense of appreciation for the guidance and invaluable contribution made by Mr Purnendu Narayan Roy during his tenure as a Director of the Company.

## **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.

## **Acknowledgement**

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.

Place: Kolkata  
Date: May 20, 2010

By Order of the Board  
A C Chakrabortti  
**Chairman**

# ANNEXURE TO DIRECTOR'S REPORT

## Annexure 'A' to Directors Report for the year ended March 31, 2010

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.

<b>A. Conservation of Energy</b>	<b>2009-10</b>	<b>2008-09</b>
<b>1 Electricity</b>		
(a) Purchased		
Unit: KWH	5582815	9170625
Total amount (Rs. lacs)	214.19	369.47
Rate/Unit (Rs.)	3.84	4.03
(b) Own Generation		
Through Generator		
Unit: KWH	5042752	4877916
Unit: Litre of oil	3.16	3.31
Cost/Unit (Rs.)	7.76	7.75
<b>2 Furnace Oil</b>		
Quantity		
Unit: Litre	1859129	2212036
Total cost (Rs. lacs)	444.90	547.47
Cost/Unit (Rs.)	23.93	24.75
<b>3 Others</b>		
(a) HSD		
Quantity		
Unit: Litre	108674	212320
Total cost (Rs. lacs)	32.41	64.48
Cost/Unit (Rs.)	29.82	30.37
(b) Gas		
Quantity		
Unit: Kgs	517615	935823
Total cost (Rs. lacs)	190.41	404.23
Cost/Unit (Rs.)	36.79	43.20
<b>4 Consumption per Unit of Production</b>		
Unit	20046896	18309057
Electricity: KWH	0.53	0.77
Furnace Oil: Litre	0.09	0.12
HSD: Litre	0.005	0.012
Gas: Kgs	0.026	0.051

## B. Technology Absorption

Continuous research is being made with an objective of improving product quality 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 15 to the accounts.

Place: Kolkata  
Date: May 20, 2010

On behalf of the Board  
Sri A C Chakrabortti  
**Chairman**