



ANNUAL REPORT 1998-99



LA OPALARG  
LIMITED



- BOARD OF DIRECTORS
- CHAIRMAN  
A. C. Chakrabortti
- MANAGING DIRECTOR  
Sushil Jhunjhunwala
- DEPUTY MANAGING DIRECTOR  
Ajit Jhunjhunwala
- DIRECTORS  
P. N. Roy  
G. Narayana  
Shakir Ali
- GENERAL MANAGER (CORPORATE AFFAIRS) & SECRETARY  
Swapn Kumar De
- AUDITORS  
Rajneesh Agarwal & Co.
- BANKERS  
State Bank of India  
Bank of Baroda
- REGISTRAR & SHARE TRANSFER AGENT  
Computech International Ltd.  
77/2A Hazra Road  
Calcutta - 700 029
- REGISTERED OFFICE  
"Chitrakoot" (10th Floor)  
230A, Acharya J. C. Bose Road  
Calcutta - 700 020
- WORKS  
Madhupur  
Deoghar  
Bihar

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## NOTICE

NOTICE is hereby given that 12th Annual General Meeting of the Company will be held at Kala Kunj, 48 Shakespeare Sarani, Calcutta 700 017 on Saturday the 14th August, 1999 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, 1999.
2. To decide dividend for the year ended 31st March, 1999.
3. To appoint a Director in place of Mr. A. C. Chakraborti who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. Narayana who retires by rotation and being eligible offers himself for re-appointment.
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 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 Mr. Sushil Jhunjhunwala, as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 1999, on the following terms and conditions provided such remuneration is also to be minimum remuneration payable to Mr. Sushil Jhunjhunwala in the event of loss or inadequacy of the profits of the Company in any financial year during the aforesaid period :

##### a. Salary

A salary of Rs. 40,000/- per month (with power to the Board of Directors to give accelerated increments).

##### b. Perquisites

In addition to the above, the appointee shall be entitled to the following perquisites :

- i) House Rent Allowance : 20% of salary.
- ii) Electricity expenses : Reimbursement of electricity charges subject to a ceiling of 25% of the salary.
- iii) Medical Reimbursement : Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- iv) Club Fees : Fees of clubs subject to a maximum of two clubs.
- v) Company's contribution towards Provident Fund as per the rules of the Company.
- vi) Gratuity as per rules of the Company but shall not exceed half month's salary for each completed year of service.
- vii) Personal Accident Insurance the premium of which does not exceed Rs. 2,000/- per month.
- viii) Leave Travel Allowance : Leave Travel Allowance for himself and his family once in a year subject to maximum of one month's salary.

"RESOLVED FURTHER THAT Mr. Swapan Kumar De, General Manager (Corporate Affairs) & Secretary be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered necessary, useful or expedient to give effect to this resolution."

#### 7. As Ordinary Resolution

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and all other applicable statutory provisions, if any, to the redesignation of Mr. Ajit Jhunjhunwala as Deputy Managing Director of the Company with the same terms and conditions of his remuneration as approved earlier with an authority and power to the Board of Directors of the Company ("the Board") to alter and vary the terms and conditions, in such manner as from time to time may be in consonance with the applicable provisions of law and as may be agreed to by and between the Board and Mr. Ajit Jhunjhunwala as per the Rules and Regulations of the Company."

"RESOLVED FURTHER THAT the commissions payable to Mr. Ajit Jhunjhunwala in terms of Resolution No. 8 of the Notice dated 24th June, 1998 of the 11th Annual General Meeting as passed in the said meeting held on 22nd August, 1998 remain unchanged."

"RESOLVED FURTHER THAT Mr. Swapan Kumar De, General Manager (Corporate Affairs) & Secretary be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered necessary useful or expedient to give effect to this resolution."

- 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 6th August, 1999 to 14th August, 1999 (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 6th August, 1999.
  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.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. (6)

In the 7th Annual General Meeting held on 30th September, 1994 the Shareholders approved the appointment and the terms of remuneration of Mr. Sushil Jhunjunwala as Managing Director for a period of 5 (five) years with effect from 1st October, 1994 which was further modified in the 10th Annual General Meeting held on 12th September, 1997 and also in the 11th Annual General Meeting held on 22nd August, 1998. His tenure of office as Managing Director of the Company expires on 30th September, 1999 and being eligible Mr. Sushil Jhunjunwala offers himself for reappointment as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 1999.

In view of the significant contributions made by Mr. Sushil Jhunjunwala 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.

Excepting Mr. Sushil Jhunjunwala and Mr. Ajit Jhunjunwala no other Director is interested in the above referred resolution.

### Item No. (7)

In the 10th Annual General Meeting held on 12th September, 1997 the Shareholders approved the appointment and the terms of remuneration of Mr. Ajit Jhunjunwala as a Wholetime Director for a period 5 (five) years with effect from 1st October, 1997 which was further modified in the 11th Annual General Meeting held on 22nd August, 1998.

In view of the significant contributions made by Mr. Ajit Jhunjunwala as Wholetime Director of the Company over the years and also the expanded responsibilities being shouldered by him consequent upon the merger of M/s. Radha Glass & Industries Ltd. with M/s. La Opala Glass Ltd. (since renamed as La Opala RG Ltd.) the Board of Directors of the Company at its meeting held on 25th January, 1999 redesignated Mr. Ajit Jhunjunwala as Deputy Managing Director of the Company with immediate effect for the remainder of the tenure of his appointment, i.e. upto 30th September, 2002 subject to the approval of the members at the next Annual General Meeting. His terms of remuneration, however, remain unchanged as approved earlier.

An abstract of the terms of the above redesignation under Section 302 of the Companies Act, 1956 was despatched to the members in January, 1999.

The resolution as set out in Item No. 7 may be considered accordingly and the Board of Directors recommends the same for your approval.

Excepting Mr. Ajit Jhunjunwala and Mr. Sushil Jhunjunwala no other Director is interested in the above referred resolution.

Place : Calcutta  
Dated : 29th May, 1999

By order of the Board  
SWAPAN KUMAR DE  
G.M. (Corporate Affairs) & Secretary

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## DIRECTORS' REPORT to the Members

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 1999.

### THE CURRENT YEAR'S PERFORMANCE

During the year under review, your Company has been able to retain its market leadership with higher turnover notwithstanding the difficult marketing scenario as manifested by continuing depressed market condition, stagnant consumer demand and increased competition arising out of international operators making inroads into Indian market taking umbrage of liberalised import policies. There has, however, been a drop in the profit before tax as compared to previous year, mainly on account of cumulative effects of fall in the value of Rupee, imposition of special additional duty and also increase in price of imported inputs. The adverse effects of all these factors have been partially neutralised through improved product-mix, effective cost control measures, aggressive marketing strategies, improved performance in export markets as well as partial benefit accruing from the synergy of merger of Radha Glass & Industries Ltd. in the last quarter of the year.

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

### PERFORMANCE OF COMPANY

Sl. No.	Particulars	Rs. in lacs Year ended 31st March, 1999	Rs. in lacs Year ended 31st March, 1998
1.	Net Sales/Income from operations	3008.01	2975.94
2.	Other Income	10.30	20.69
3.	Total expenses before interest and depreciation	2557.61	2509.35
4.	Interest	18.07	12.26
5.	Gross profit after interest but before depreciation	442.62	475.02
6.	Depreciation	67.32	53.08
7.	Profit before taxation	375.30	421.94
8.	Provision for taxation	111.10	108.60
9.	Net Profit	264.20	313.34
10.	Tax Provision for earlier year	—	(7.50)
11.	Prior period adjustment	0.60	0.29
12.	Provision written back	3.33	—
13.	Surplus available	268.13	306.13
14.	Dividend	115.68	101.25
15.	Tax on Dividend	11.57	10.13
16.	Transferred to General Reserve	100.00	150.00
17.	Balance as per last year	163.95	119.20
18.	Balance carried to Balance Sheet	204.83	163.95

### DIVIDEND

Your Directors are pleased to propose the payment of Dividend @ 30% prorata for your approval for the year ended 31st March, 1999.

### FUTURE OUTLOOK

With the aggressive marketing policy evolved both in domestic as well as international markets, stabilisation of Crystal throughout, improved and rationalised measures implemented in the manufacture and above all transition to quality culture through certification under ISO 9002 Quality Systems, it is expected that the performance of the Company will further improve in the current year.

### MERGER AND RENAMING OF THE COMPANY

As approved by the Shareholders of the Company last year and sanctioned by the Hon'ble High Courts of Calcutta and Patna, the merger of Radha Glass & Industries Ltd. with your Company was successfully concluded with effect from 1st January, 1999 following which your Company was renamed as La Opala RG Limited. In the post merger scenario, your Company is poised for an accelerated growth by accrual of the benefits of synergy inherent in such a situation.

### CHANGE OF REGISTERED OFFICE

With effect from 15th March, 1999 the Registered Office of the Company has been shifted to its new address at 'Chitrakoot', 10th floor, 230A, Acharya Jagadish Chandra Bose Road, Calcutta 700 020 for realising better operational efficiency.

### SHARE CAPITAL

As approved by the Shareholders at the last Annual General Meeting, the authorised share capital of the Company was raised from Rs. 4.00 Crores to Rs. 5.50 Crores. Subsequent to merger of Radha Glass & Industries Ltd. the Shareholders of the Transferor Company were issued 19,23,766 numbers of equity shares of Rs. 10/- each, fully paid up in your Company.



**ISO-9002**

Your Directors are pleased to inform that your Company has since been certified under ISO 9002 Quality Systems by the internationally renowned Quality Registrar, KPMG Peat Marwick. This will provide a special boost in the Company's pursuit for quality culture towards identification and satisfaction of customers' needs and strengthening the brand image of its product both in domestic and international markets.

**AUDITORS**

M/s Rajneesh Agarwal & Co. retire and are eligible for re-appointment. As required 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 re-appointed 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**

Mr. A. C. Chakraborti is retiring from the office of the Directors by rotation and being eligible offers himself for re-appointment.

The five year period of appointment of Mr. Sushil Jhunjhunwala, Managing Director of the Company expires on 30th September, 1999. Being eligible, Mr. Sushil Jhunjhunwala offers himself for re-appointment.

At the meeting of the Board of Directors held on 25th January, 1999 Mr. Ajit Jhunjhunwala, Wholetime Director was redesignated as Deputy Managing Director of the Company with the same terms and conditions. The Board of Directors recommend your approval for the same.

Mr. G. Narayana is retiring from the office of the Directors by rotation and being eligible offers himself for re-appointment.

**SAFETY AND POLLUTION CONTROL**

The Company is putting in continuous efforts to ensure safe working conditions for all its employees. Appropriate measures have been ensured by the Company to keep the environment free of pollution.

**INDUSTRIAL RELATIONS**

The industrial relations of the Company with its employees continued to remain cordial during the year under review.

**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 particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, as amended, regarding employees are given in Annexure 'B' forming part of this Report.

**Y2K COMPLIANCE**

Your Company has given top priority to Y2K compliance and will ensure such compliance by September, 1999. The cost of such compliance is not considered significant.

**ACKNOWLEDGEMENT**

The Directors express their gratefulness for the cooperation extended by Bank, Suppliers and various Government and other agencies and solicit their continued support and cooperation. The Directors also wish to place on record the dedicated services rendered by the Executives, Staff and Workers.

Place : Calcutta  
Dated : 29th May, 1999

By order of the Board  
A. C. CHAKRABORTI  
Chairman