

# *Annual Report* 2001-2002



LA OPALA RG LIMITED

**LA OPALA RG LIMITED**

- BOARD OF DIRECTORS
- CHAIRMAN  
A. C. Chakrabortti
- MANAGING DIRECTOR  
Sushil Jhunjunwala
- DEPUTY MANAGING DIRECTOR  
Ajit Jhunjunwala
- DIRECTOR WORKS  
G. Radhakrishna
- DIRECTORS  
P. N. Roy  
G. Narayana  
Shakir Ali
- GENERAL MANAGER FINANCE & SECRETARY  
Alok Pandey
- AUDITORS  
Rajneesh Agarwal & Co.
- BANKERS  
State Bank of India  
ICICI Bank Limited
- REGISTRAR & SHARE TRANSFER AGENT  
Computech International Ltd.  
77/2A Hazra Road  
Kolkata - 700 029
- REGISTERED OFFICE  
"Chitrakoot" (10th Floor)  
230A, A. J. C. Bose Road  
Kolkata - 700 020
- WORKS  
Madhupur  
Deoghar  
Jharkhand

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## NOTICE

NOTICE is hereby given that 15th Annual General Meeting of the Company will be held at Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017 on Wednesday, the 21st August, 2002 at 3.30 P.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, 2002.
2. To decide dividend for the year ended 31st March, 2002.
3. To appoint a Director in place of Shri G. Narayana who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri. P. N. Roy 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. Ajit Jhunhunwala, as the Dy. Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2002 on the following terms and conditions provided such remuneration is also to be minimum remuneration payable to Mr. Ajit Jhunhunwala 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. 45,000/- per month in the scale of Rs. 45,000/- - Rs. 70,000/-.

##### b. Perquisites

- (i) In addition to the above, Mr Ajit Jhunhunwala 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 Mr. Ajit Jhunhunwala. 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 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, but not exceeding 24 months of his salary within the overall ceilings 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. Mr. Ajit Jhunhunwala shall also be entitled to be reimbursed all entertainment and/or travelling, 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, 2002.

#### 7. As Ordinary Resolution

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

"RESOLVED THAT pursuant to provision of Section 257 and other applicable provisions if any, of Companies Act, 1956 Mr. G. Radhakrishna in respect of whom the Company has received a notice in writing alongwith deposit of Rs. 500/- from some members signifying their intention to propose him as a candidate for the office of Directors liable to retire by rotation be and is hereby appointed as Director - Works of the Company."

**8. As Special Resolution**

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

"RESOLVED THAT pursuant to Section 31 read with Section 77A(2)(a) of the Companies Act, 1956 Articles of Association of the company be and is hereby altered by way of addition of the following new Article 4A after the existing Article 4 :

"4A – Pursuant to Section 77A of the Act the Company may purchase its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the general meeting of the Company subject to the provisions of sub-section (2) of Section 77A and Section 77B of the Act."

**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 the Company be and is hereby agreed to appoint Mrs. Nidhi Jhunjhunwala relative of Sri Sushil Jhunjhunwala, Managing Director and Mr. Ajit Jhunjhunwala, Dy. Managing Director of the Company to hold office or place of profit as Executive - Product Design of the Company with effect from 1st July, 2002 of the following terms :

1. **Basic Salary** : Rs. 10,000/- (Rupees ten thousand)  
only per month in the scale of  
10,000/- to 15,000/-.

**2. Perquisites**

(i) House Rent Allowance : @ 20% on Basic Salary.  
(ii) Contribution to Provident Fund : As per the Rules of the Company.

**10. As Ordinary Resolution**

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

RESOLVED THAT sanction be and is hereby accorded to the payment of remuneration as set out herein to Mr. G. Radhakrishna, Director (Works), with effect from 21st October, 2001, and as approved by the Board of Directors at a meeting held on 20th October, 2001.

**(a) Salary :**

Rs. 35000/- per month in the scale of Rs. 35000/- – Rs. 60000/-

**(b) Perquisites :**

- (i) In addition to the above Mr. G. Radhakrishna shall be entitled to Provident Fund, Gratuity, Rent Free accommodation during his stay at Madhupur, exgratia payment once in a year at rates awarded by the Company on year to year basis and reimbursement of medical expenses limited to 15 days basic salary in a year.
- (ii) A car with driver will be provided by the Company for official use and actual expenses on petrol incurred for attending the Company's official business will also be reimbursed.
- (iii) Thirty days earned leave after completion of one year of service. The leave is non-accumulative but the unavailed leave at the end of financial year may be encashed.

By Order of the Board

Place : Kolkata

Dated : 25th June, 2002

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 13th August, 2002 to 21st August, 2002 (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 13th August, 2002.
  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. Re-appointment of Directors

Sri G. Narayana was appointed as a Director on 25th November, 1996. He is a Corporate Advisor, Management Author and Trainer. Currently he is the Director of Ashok Organic Industries Ltd., Excel Industries Ltd., Newton Engineering & Chemicals Ltd., Aryan Paper Mills Ltd., Punjab Chemicals & Pharmaceuticals Ltd., Yash Paper Ltd, Duraware Private Ltd. and Silver Light Nirleware Industries Private Ltd.

Shri P. N. Roy was appointed a Director on 29th October, 1994. Currently he is also a Director in Indo Ashai Glass Ltd.

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

### Item No. (6)

In the 10th Annual General Meeting held on 12th September, 1997 the shareholders approved the appointment of Mr. Ajit Jhunjunwala as Wholetime Director for a period of 5 years with effect from 1st October, 1997 which was further modified in 11th Annual General Meeting held on 22nd August, 1998 and also in 12th and 13th Annual General Meeting held on 14th August, 1999 and 8th September, 2000. His tenure of office as Deputy Managing Director expires on 30th September, 2002 and being eligible Mr. Ajit Jhunjunwala 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, 2002. Currently Mr. Ajit Jhunjunwala is also a Director in Genesis Exports Ltd., SKJ Estate Pvt. Ltd. and Ishita Housing Pvt. Ltd.

In view of the significant contributions made by Mr. Ajit 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 resolution.

### Item No. (7)

Mr. G. Radhakrishna was appointed as Additional Director of the Company on 20th October, 2001 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956 he holds office as a Director only upto the date of ensuing Annual General Meeting. As required u/s 257 of the Act, a notice has been received from some members signifying his intention to propose him as Director. Mr. G. Radhakrishna is an MBA and also a Diploma in Business Management. He has graduated from the Institute of the Engineers (India) in Civil Engineering and Mechanical Engineering. He has got a vast working experience in the field of Business Management & Engineering. He is presently not holding any other directorship or committee membership in other companies. The Board considers it desirable that the Company should continue to avail his service.

Excepting Mr. G. Narayana and Mr. G Radhakrishna no other Director is interested in the resolution.

### Item No. (8)

The Companies (Amendment) Act, 1999 with retrospective effect from 31st October, 1998 has allowed companies to buy back its own shares upto 25% of its total paid up & free reserves. These shares should be purchased only if it is authorised by its Articles of Association and for alteration of Articles of Association of a Company under Section 31 of the Companies Act, 1956, a special resolution is required to be passed.

None of the Director is interested in the resolution.

### Item No. (9)

Mrs. Nidhi Jhunjunwala was appointed by the Board of Directors as an Executive – Product Design with effect from 1st July, 2002 in the Board Meeting held on 25th June, 2002. She has done a Design Course from Arena Multimedia, and her knowledge in developing the product design would be beneficial to the Company. As she is a relative of a Director, to hold office or place of profit as Executive - Product Design 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 the resolution.

### Item No. (10)

Mr. G. Radhakrishna was appointed as a Whole-time Director in a Board meeting held on 20th October, 2001 for a period of five years. The Company seeks the approval of the shareholders for his appointment by Board as per terms of Section 309(1) and other applicable provisions of the Company's Act, 1956. Excepting Mr. G. Narayana and Mr. G. Radhakrishna no other Director is interested in the resolution.

By Order of the Board

ALOK PANDEY

G.M. Finance & Secretary

Place : Kolkata  
Dated : 25th June, 2002

**DIRECTORS' REPORT** to the Members

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2002.

**PERFORMANCE OF COMPANY**

The operation of the Company has been affected during the current year due to labour unrest leading to closure of plant for 39 days coupled with severely depressed market condition and disturbances in the state of Gujarat.

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

<b>PERFORMANCE OF COMPANY</b>		<b>Rs. in lacs</b>	<b>Rs. in lacs</b>
Sl. No.	Particulars	<b>Year ended 31st March, 2002</b>	<b>Year ended 31st March, 2001</b>
1.	Net Sales/Income from operations	2880.35	3585.26
2.	Other Income	151.70	93.76
3.	Total expenses before interest and depreciation	2765.67	3118.32
4.	Interest	11.08	21.52
5.	Gross profit after interest but before depreciation	255.30	539.18
6.	Depreciation	112.58	108.40
7.	Profit before taxation	142.72	430.78
8.	Tax expenses	27.77	149.00
9.	Net profit	114.95	281.78
10.	Tax Provision for earlier year	(11.40)	2.81
11.	Prior period adjustment	6.03	(0.98)
12.	Surplus available	109.58	283.61
13.	Dividend	66.23	92.73
14.	Tax on Dividend	—	9.46
15.	Transferred to General Reserve	5.00	100.00
16.	Balance as per last year	379.94	298.52
17.	Balance carried to Balance Sheet	418.29	379.94

**DIVIDEND**

Your Directors are pleased to propose the payment of Dividend @ 12.5% for your approval for the year ended 31st March, 2002.

**Corporate Governance**

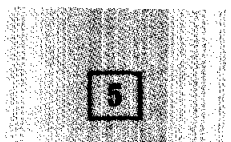
The Company was required to implement the mandatory provisions of Corporate Governance within the financial year 2001-2002, as per Clause 49 of the Listing Agreements. The Company has successfully implemented the same. Accordingly, Corporate Governance Report and Management Discussion & Analysis Report form part of this Annual Report.

**RESPONSIBILITY STATEMENT**

- (i) Your Directors confirm that in preparation of the accounts the applicable accounting standards have been followed.
- (ii) 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.
- (iii) 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.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

**AUDITORS**

M/s. Rajneesh Agarwal & Co. retire and are eligible for re-appointment. 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 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. G Narayana and Mr. P. N. Roy are retiring from the office of the Directors by rotation and being eligible offer themselves for re-appointment.

At the Board Meeting held on 20th October, 2001, your Board appointed Mr. G. Radhakrishna as an Additional Director of the Company. Mr. G Radhakrishna will be retiring at the ensuing Annual General Meeting of the Company and being eligible will seek necessary election as a Director pursuant to Section 257(1) of the Companies Act, 1956. Necessary notice has been received from certain members under Section 257 of the Companies Act, 1956 signifying their intention to propose the appointment of Mr. G Radhakrishna as the Director of the Company liable to retire by rotation.

#### 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.



By Order of the Board

A. C. CHAKRABORTTI  
Chairman

Place : Kolkata  
Dated : 25th June, 2002

## ANNEXURE 'A' TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2002

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Section 217(1) (e) of the Companies Act, 1956.

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

	2001 - 2002		2000 - 2001	
	OPAL	CRYSTAL	OPAL	CRYSTAL
<b>A. Conservation of Energy</b>				
<b>1. ELECTRICITY</b>				
(a) Purchased				
Unit : KWH	2467549	419648	2575631	599787
Total amount (Rs. lakhs)	136.64	24.06	121.60	29.62
Rate/Unit (Rs.)	5.53	5.73	4.72	4.94
(b) Own Generation				
Through Diesel Generator				
Unit : KWH	912085	134625	977880	206730
Unit/Litre of diesel oil	3.10	3.34	2.64	2.67
Cost/Unit (Rs.)	5.41	4.62	5.54	5.63
<b>2. FURNACE OIL</b>				
Quantity				
Unit : Litre	2022520	149415	2468435	263728
Total Cost (Rs. lakhs)	202.46	15.61	280.95	29.20
Cost/Unit (Rs.)	10.01	10.45	11.38	11.07
<b>3. LDO</b>				
Quantity				
Unit : Litre	679887	154538	785702	253624
Total Cost (Rs. lakhs)	99.05	22.39	113.53	36.23
Cost/Unit (Rs.)	14.57	14.49	14.45	14.28
<b>4. OTHERS</b>				
(i) LSHS etc.				
Quantity				
Unit : Kg.	Nil	Nil	50580	Nil
Total Cost (Rs. lakhs)	Nil	Nil	6.70	Nil
Cost/Unit (Rs.)	Nil	Nil	13.24	Nil
(ii) HSD etc.				
Quantity				
Unit : Kg.	270000	4305	237446	22163
Total Cost (Rs. lakhs)	42.51	0.66	34.82	3.32
Cost/Unit (Rs.)	15.74	15.44	14.66	15.00
<b>5. CONSUMPTION PER UNIT OF PRODUCTION</b>				
Unit				
Electricity : KWH	0.34	1.82	0.29	1.42
Furnace Oil : Litre	0.20	0.49	0.20	0.47
LDO : Litre	0.07	0.51	0.06	0.45

**B. Technology Absorption****1. Research & Development**

Continuous research is being made to improve the quality of the product.

**2. Technology Absorption, Adaptation and Innovation**

OPALWARE





Technology of manufacturing OPALWARE was imported from South Korea and the details as required are given below :

- |                                       |   |   |
|---------------------------------------|---|---|
| a. Technology imported                | : | HOSAN GLASS CO. LTD.<br>C.P.O. BOX 4399, SEOUL, KOREA |
| b. Year of Import                     | : | 1987  |
| c. Has technology been fully absorbed | : | Yes   |

#### CRYSTALWARE

For CRYSTALWARE the Technology Licence Agreement has been entered with Doosan Glass Co. Ltd. The details of imported technology is given as under :

- |                                       |   |  |
|---------------------------------------|---|--|
| a. Technology imported                | : | DOOSAN GLASS CO. LTD.<br>105-7 NONHYUN-DONG<br>KANGNON-KU<br>SEOUL - 135 - 714 KOREA |
| b. Year of Import                     | : | 1994-95  |
| c. Has technology been fully absorbed | : | Yes  |

#### C. Foreign Exchange Earnings & Outgo

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



## ANNEXURE TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

(Pursuant to clause 49 of the Listing Agreement)

#### 1. Company's Philosophy

The Company firmly believes in and has proactively adopted the best 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 along with Executive Directors manages day to day operation of the Company. The Board has the ideal composition of three executive and four non-executive Directors.

During the financial year under review six Board Meetings were held on following dates : June 14, 2001; July 26, 2001; September 6, 2001; October 20, 2001; January 31, 2002 and March 2, 2002.

#### 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 Directorship excluding Private Companies as on March 31, 2002	No. of outside Board Committee membership/ Chairmanship excluding Private Companies as on March 31, 2002
Shri A. C. Chakrabortti	Chairman – Non Executive and independent.	6	Yes	13	9
Shri Sushil Jhunjunwala	Managing Director	6	Yes	2	Nil
Shri Ajit Jhunjunwala	Dy. Managing Director	6	Yes	1	Nil
Shri G. Radhakrishna *	Director - Works	1	N.A.	Nil	Nil
Shri P. N. Roy	Non Executive and Independent	6	Yes	1	Nil
Shri G. Narayana	Non Executive and Independent	5	Yes	6	Nil
Shri Sakir Ali	Non Executive and Independent	5	Yes	1	Nil

\* Mr. G. Radhakrishna has been appointed an additional Director with effect from 20th October, 2001 during the year. There are no pecuniary relationship or transaction of non executive directors vis-a-vis the Company.

#### 3. Audit Committee

The Audit Committee was constituted by the Board of Directors on June 14, 2001 and it consists of four non-executive independent Directors. During the period under review the Audit Committee met on four occasions viz. July 26, 2001; September 6, 2001; October 20, 2001; January 31, 2002. The constitution of Audit Committee also meets the requirements of Section 292A of the Companies Act, 1956 and guidelines set out in listing agreement.

#### Constitution of Audit Committee and related information

Name of the Director	Category	No. of Meetings attended during the financial year ended 31st March, 2002
Shri P. N. Roy	Chairman – Non Executive and Independent	4
Shri A. C. Chakrabortti	Non Executive and independent.	4
Shri G. Narayana	Non Executive and independent.	4
Shri Sakir Ali	Non Executive and independent.	4