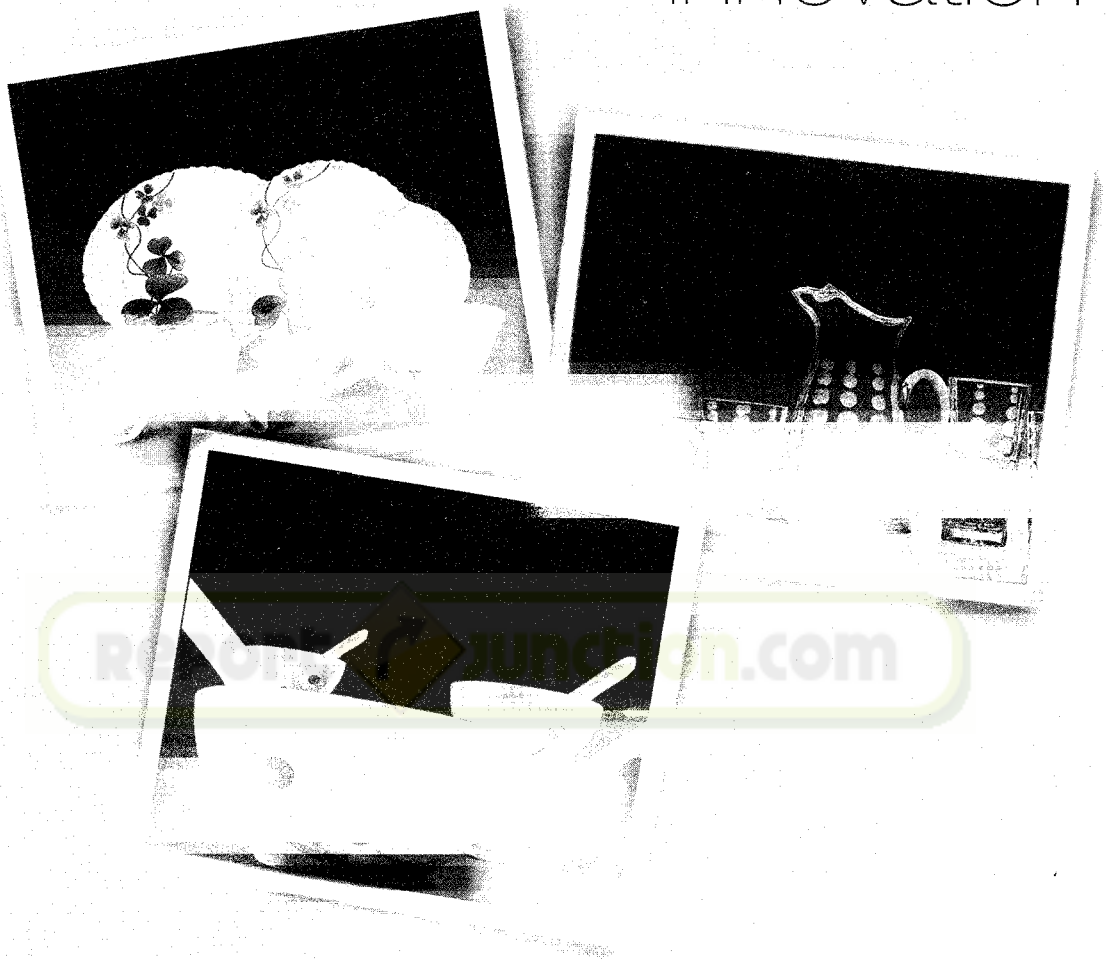


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LAOPALA RG LIMITED

22nd *Annual Report*
2008-09

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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

NOTICE is hereby given that **22nd Annual General Meeting** of the Company will be held at Gyan Manch at 11, Pretoria Street, Kolkata 700 071 on Saturday the 29th August, 2009 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, 2009
2. To appoint a Director in place of Sri G Narayana who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri Shakir Ali who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. 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 consent of the Company be and is hereby accorded to the re-appointment of Sri Sushil Jhunjunwala as the Managing Director of the Company for further period of 5 (five) years with effect from 1st October 2009 on the following terms and conditions, provided such remuneration is also to be a minimum remuneration payable to Sri Sushil Jhunjunwala in the event of loss or inadequacy of the profits of the company in any financial year.

a. **Salary :** Rs. 2,00,000/- per month in the scale of Rs. 2,00,000/- - Rs. 4,00,000/-.

b. Perquisites

- (i) In addition to the above, Mr Sushil 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 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 Sushil Jhunjunwala. Such perquisites for each year not to exceed his annual salary.

For the purpose of calculating the above ceiling perquisites shall be evaluated as per Income Tax rules, wherever applicable. In the absence of any such rules perquisites shall be evaluated at actual cost.

Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites.

- (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. Mr Sushil Jhunjunwala 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.

Place: Kolkata
Date: 30th May, 2009

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

Notice

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 20th August, 2009 to 29th August, 2009 (both days inclusive).
5. Members are requested to bring their copy of 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 G Narayana was appointed as a Director on 25th November, 1996. He is a Corporate Advisor, Management Author and Trainer. Currently he is a Chairman & Director of Punjab Chemicals & Crop Protection Ltd. and Yash Papers Ltd. and Director of Aryan Paper Mills Ltd. He is also a Chairman in Excel Emeritus Industries Ltd.

10. Reappointment of Directors

Sri Shakir Ali was appointed as a Director on 11th June, 1987. He is an Advocate and reputed Labour Advisor. Currently he is also a Director of M/s Eri-tech Limited.

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

Item No. (6)

In the 17th Annual General Meeting held on 11th September, 2004 shareholders approved the reappointment of Sri Sushil Jhunjunwala as Managing Director for a period of 5 years with effect from 1st October 2004. His tenure of office as Managing Director expires on 30th September 2009 and being eligible Sri Sushil Jhunjunwala offers himself for reappointment as Managing Director of the company for a further period of 5(five) years with effect from 1st October, 2009. Currently Sri Sushil Jhunjunwala is also a director in Genesis Exports Ltd., BSL Ltd., SKJ Estates Pvt. Ltd., Ishita Housing Pvt. Ltd., Anuraaha Designers Pvt. Ltd. and RSWM Ltd.

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

Place: Kolkata

Date: 30th May, 2009

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

Directors' Report

Directors' Report to the Members

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2009.

Performance Review of the Company

Opalware Plant situated at Madhupur, and Sitargunj and the Crystal Glass Plant situated at Madhupur, operated almost at the normal level, despite difficult economic scenario prevailing during the year under review. The turn over of the Company increased only by 16.05% in the current financial year and the Profit before Tax was Rs. 170.74 lakhs as compared to Rs. 160.32 lakhs in the previous year. The profit during the current year has been affected due to loss of Rs. 166.67 lakhs on Forward Contract and high oil prices mainly in the first half of the year.

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

Sl. No.	Particulars	Rs. in lacs Year ended 31st March '09	Rs. in lacs Year ended 31st March '08
1	Net Sales / Income from operations	6526.42	5594.22
2	Other Income	50.42	53.36
3	Total expenses before interest and depreciation	5529.89	4951.56
4	Interest	412.87	187.31
5	Gross profit after interest but before depreciation	634.08	508.71
6	Depreciation	463.34	348.39
7	Profit before taxation	170.74	160.32
8	Tax expenses	89.34	57.18
9	Net profit	81.40	103.14
10	Tax for earlier year	-	(3.11)
11	Surplus available	81.40	100.03
12	Dividend	-	79.48
13	Tax on Dividend	-	13.51
14	Transferred to General Reserve	-	NIL
15	Balance as per last year	1268.01	1260.97
16	Balance carried to Balance Sheet	1349.41	1268.01

Dividend

Keeping in view the need to conserve the Company's resources your Directors constrained not to recommend any Dividend for the financial year ended 31st March, 2009.

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.

Directors' 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, 2009 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

Sri G Narayana and Sri Shakir Ali are retiring from the office of the Directors by rotation and being eligible offer themselves for re-appointment.

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

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

Particulars of employees

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

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: 30th May, 2009

By Order of the Board
A. C. Chakraborti

Chairman

Annexure to Directors' Report

Annexure 'A' to Directors report for the year ended March 31st, 2009

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

A. Conservation of Energy	2008 - 09	2007 - 08
1 Electricity		
(a) Purchased		
Unit: KWH	9,170,625	40,15,550
Total amount (Rs. lakhs)	369.47	120.99
Rate/Unit (Rs.)	4.03	3.01
(b) Own Generation		
Through Generator		
Unit: KWH	4,877,916	51,20,333
Unit/Litre of oil	3.31	3.37
Cost/Unit (Rs.)	7.75	6.07
2 Furnace Oil		
Quantity		
Unit/Litre	2,212,036	22,73,655
Total cost (Rs. Lakhs)	547.47	464.36
Cost/Unit (Rs.)	24.75	20.42
3 Others		
(a) HSD		
Quantity		
Unit/Litre	212,320	79,722
Total cost (Rs. Lakhs)	64.48	22.85
Cost/Unit (Rs.)	30.37	28.66
(b) GAS		
Quantity		
Unit/Kgs	935,823	7,42,475
Total cost (Rs. Lakhs)	404.23	277.13
Cost/Unit (Rs.)	43.20	37.33
4 Consumption Per Unit of Production		
Unit	18,309,057	1,63,25,627
Electricity: KWH	0.77	0.56
Furnace Oil: Litre	0.12	0.14
HSD : Litre	0.012	0.005
GAS : Kgs	0.051	0.045

B. Technology Absorption

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

C. Foreign Exchange Earnings & Outgo

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

Place: Kolkata

Dated: 30th May, 2009

On behalf of the Board

A.C. Chakrabortti

Chairman

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 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 along with Executive Director manages day to day operation of the Company. As on 31st March 2009 the Board consisted of two executive and six non-executive Directors.

During the financial year under review six Board Meetings were held on following dates: May 27, 2008, June 26, 2008, July 31, 2008; September 27, 2008; October 30, 2008; January 29, 2009;

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, 2009	No. of outside Board Committee membership/ Chairmanship excluding Private Companies as on March 31, 2009
Sri A C Chakrabortti	Chairman Non Executive and independent	6	Yes	13	6 (including 4 Chairmanship)
Sri Sushil Jhunjhunwala	Managing Director	6	Yes	2	2
Sri Ajit Jhunjhunwala	Dy. Managing Director	6	Yes	1	Nil
Sri Arun Churiwal	Non Executive and independent	4	No	5	1
Sri P N Roy	Non Executive and independent	Nil	No	Nil	Nil
Sri G Narayana	Non Executive and independent	5	Yes	3	Nil
Sri Shakir Ali	Non Executive and independent	6	Yes	1	Nil
Sri Rajiv Gujral	Non Executive and independent	5	Yes	5	Nil

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

3. Audit Committee

The Audit Committee was constituted by the Board of Directors on May 25, 2002 and it consists of four non-executive independent directors. During the period under review the Audit Committee met on five occasions viz. May 27, 2008, June 26, 2008, July 31, 2008; October 30, 2008 & January 29, 2009; 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.

Annexure to Directors' Report

Name of the Directors	Category	No. of meetings attended during the financial year ended 31 st March 2009
Sri G Narayana	Chairman Non Executive and Independent	4
Sri A C Chakrabortti	Non Executive and Independent	5
Sri P N Roy	Non Executive and Independent	Nil
Sri Shakir Ali	Non Executive and Independent	5

The role of Audit Committee and terms of reference specified by the Board to the Audit Committee are as under:

- Review of the Company's financial reporting process, the financial statements and financial / risk management policies.
- Review Half-yearly and Annual Financial Accounts of the Company and discuss with Auditors.
- To meet and review with External and Internal Auditors the Internal Control Systems and to ensure their compliance.
- To review matters as required under the terms of Listing Agreement.
- To investigate matters referred to it by the Board.
- The Company Secretary acts as secretary to the committee.

4. Remuneration Committee

The Remuneration Committee of the Board of Directors has been constituted in accordance with the prescribed guidelines. The committee comprises of 3 Directors, all of whom are non-executive and independent. The Remuneration Committee comprises of the following:

(a) Sri A C Chakrabortti (b) Sri Arun Churiwal (c) Sri G Narayana

The Remuneration Committee approved the remuneration payable to all executive directors and non-executive directors within the over-all limits approved by the shareholders and in accordance with the provisions of Companies Act 1956.

Executive Directors' Remuneration details for the financial year ended March 31, 2009

Name of the Directors	Salary and perquisites	Commission	Total
Sri Sushil Jhunjunwala, Managing Director	32,49,769	-	32,49,769
Sri Ajit Jhunjunwala, Dy. Managing Director	24,45,934	-	24,45,934

Non-executive Directors' Remuneration details for the financial year ended March 31, 2009

Name of the Directors	Sitting Fees	Commission	Total
Sri A C Chakrabortti	24,000		24,000
Sri P N Roy	-		-
Sri G Narayana	20,000		20,000
Sri Shakir Ali	24,000		24,000
Sri Arun Churiwal	16,000		16,000
Sri Rajiv Gujral	20,000		20,000
	1,04,000		1,04,000

Salary and perquisites include companies contribution to Provident Fund. The company does not have any stock option scheme.