

Raising the Bar

La Opala RG Limited
Annual Report 2021-22



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Forward-looking statement

This document contains statements about expected future events and financial and operating results of La Opala RG Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the annual report.



Raising the Bar

At La Opala, we complete 35 years in 2022. The successful completion of three-and-a-half decades is the result of one overarching commitment.

To perpetually raise the bar.

This commitment is the result of embracing challenges, raising standards ahead of market needs, investing ahead of the curve and launching pioneering products in India.

The result is a brand recognised for taking lifestyles and market leadership ahead.

La Opala is now engaged in the largest opalware expansion in its existence.

By raising the bar yet again, the company expects to continue enhancing value for its stakeholders in a sustainable way.

La Opala RG Limited.

The brand that has transformed more dining tables in India than any other in the last 35 years.

Through a wide portfolio.

Through world-class quality.

Through a range of designs.

Through a superior price-value proposition.

Reinforcing its long-standing opalware market leadership in India while exporting to more than 30 countries.

Our vision

The desire for beautiful things is universal. The dedication to enrich life with brilliance of beauty is rare. Our vision is to be the chosen tableware of every home across the world.

Our mission

Our roadmap starts with our mission, which is enduring. It declares our purpose as a company and serves as the standard against which we weigh our actions and decisions. Our mission is to continuously optimise satisfaction of our consumers through our world class products and services. This, we believe, is the best way to ensure consistent success for our company, shareholders and employees.

Core values

Integrity: Acting and taking decisions in a manner that are fair and honest, Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other dimensions.

Commitment: We are committed to deliver value to all our stakeholders, consumers, employees and other business partners. In the process we are being accountable for our own actions and decisions.

Passion: We need to be passionate about our work and passionate about our business. We need to hire passionate employees; we need to create passionate customers.

Our background

La Opala RG Limited was the first to introduce opal glass and crystal glass in India (company established in 1987). The Company is engaged in the manufacture and marketing of opal glass tableware and 24% lead crystalware products.

Our management

The Company is steered by an experienced Board with Mr. Sushil Jhunjunwala as the Chairman. Mr. Ajit Jhunjunwala is Vice Chairman and Managing Director and Ms. Nidhi Jhunjunwala Executive Director. The Board is complemented by experienced professionals and skilled shopfloor workers.

Leadership

La Opala is not just another opalware brand in India. The company has transformed lifestyles by offering a superior portfolio marked by better quality. The company has transformed family habits, preferences and standards towards the modern, aesthetic and hygienic. In doing so, the company has emerged as India's largest tableware and glassware lifestyle brand.

Our brands



Flagship brand that addresses entry-level dinner sets, plates, bowls, coffee mugs and other products.



Premium products range under six collections – Classique, Ivory, Cosmo, Quadra, Sovrana and Velvett.



Hand crafted 24% lead crystal – Tumblers, Beer Mugs and Vases.



La Opala brings to you its newest Borosilicate Cook Serve Store Range. Made of 100% borosilicate glass, it can withstand extreme temperatures, making it safer and stronger than regular glass.

Our manufacturing capacities

The company is the largest opalware manufacturer in India. The company's total capacity across its two plants (Sitarganj and Madhupur) was 36,000 MTPA,

effective from the first quarter of the current financial year.

The capacity at Sitarganj (Uttarakhand) increased from

4000 MTPA in FY08 to 31,000 MTPA (metric tonnes per annum); the Madhupur (Jharkhand) capacity was 5,000 MTPA.

Manufacturing units

Location	Products manufactured	Capacity (TPA)
Sitarganj, Uttarakhand	Opalware	31,000*
Madhupur, Jharkhand	Opalware, crystalware	5000

*Following capacity expansion in Q1, FY23

Our products portfolio

The Company provides the widest portfolio within the country's tableware segment.

Opal glassware: Plates | Bowls | Dinner sets | Cup-saucer Sets | Coffee mugs | Coffee cups | Tea sets | Soup sets | Pudding | Dessert sets

Crystalware: Barware | Vases | Bowls | Stemware

Our pan-India distribution network

The Company's pan-India distribution network comprises more than 200 distributors and 20,000 retailers. This distribution network services consumer demand across urban and semi-urban India. The company's domestic footprint covers more than 600 towns (population of 100,000+) and an international presence in more than 30 countries.

Our alliances

La Opala collaborated with South Korea's Hosan Glass for technical assistance to manufacture opal glassware in 1988.

A range of 24% lead crystal glassware (Solitaire) was introduced by La Opala in technical collaboration with South Korea's Doosan Glass in 1996. This diversification was funded through an IPO in 1995.

Our employees

The La Opala team comprised 1021 employees as on 31st March 2022. The employees covered the following competencies – design, production, quality assurance, legal, finance, marketing, business development, technology and people management, among others.

Our listing

The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange. The market capitalisation of the Company stood at ₹3852.81 Crore as on 31st March 2022.

Our past brand ambassadors

La Opala engaged Indian actor Bipasha Basu as its brand ambassador in the past.

La Opala engaged with renowned Indian fashion designer Manish Malhotra to design and curate its premium Diva range of opalware.

Our awards and accolades

- ET Bengal Awards (nominated six years at a stretch, awarded in five)
- CAPEXIL Award and EPCH Award year-on-year
- Best Under a Billion presented by Forbes, 2013
- 'Star SME Medium Scale Manufacturing' presented by Business Today SME Awards, 2013

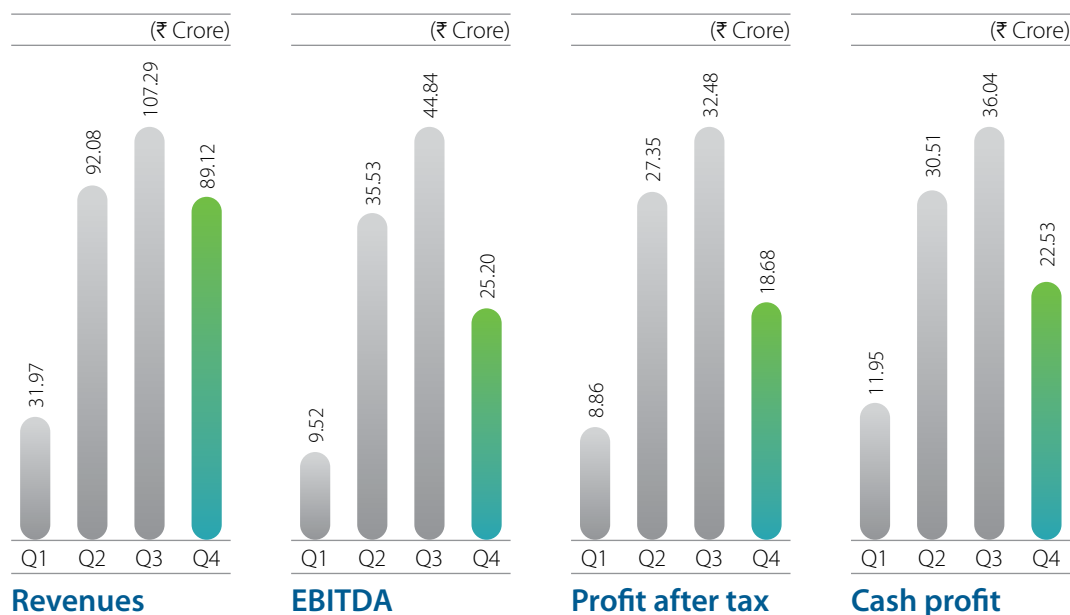
- India's Most Trusted Dinnerware Brand, 2016, presented by The Brand Trust Report, India Study
- FE CFO Awards – 2017 and 2019 presented by The Financial Express
- CK Somany Glass Award, 2018, presented by All India Glass Manufacturers Association to

our Chairman Mr. Sushil Kumar Jhunjhunwala

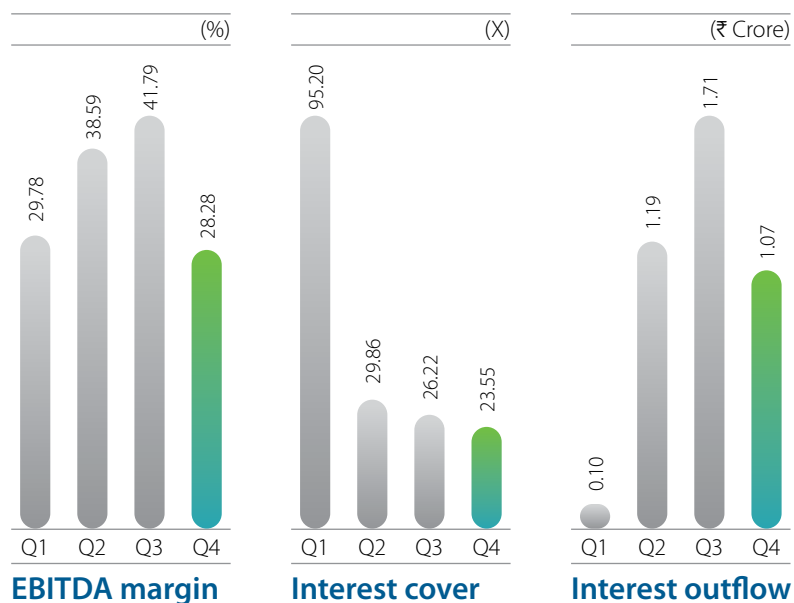
- Balakrishna Gupta Award, 2020, for Exports presented by All India Glass Manufacturers Association

This is how we performed across every successive quarter of 2021-22

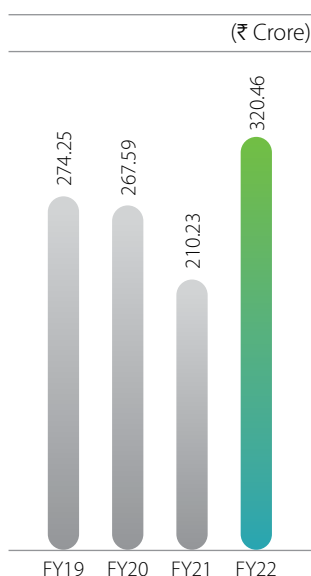
The financial health of our business, 2021-22



The financial hygiene of our business, 2021-22



How we rebounded and returned to our long-term growth story



Revenues

Definition

Growth in sales net of taxes.

Why is this measured?

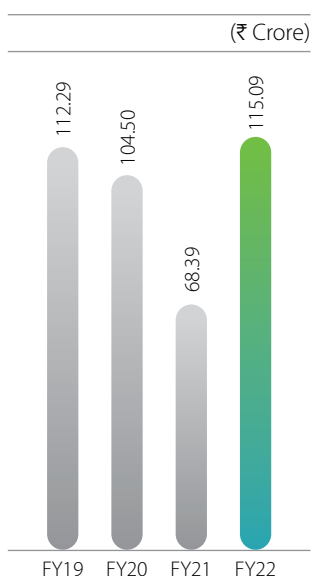
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

What does it mean?

Aggregate sales increased by 52.44% to ₹320.46 Crore in 2021-22 due to enhanced capacity utilisation following stronger demand.

Value impact

The company could perform better than the sectoral average.



EBITDA

Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why is this measured?

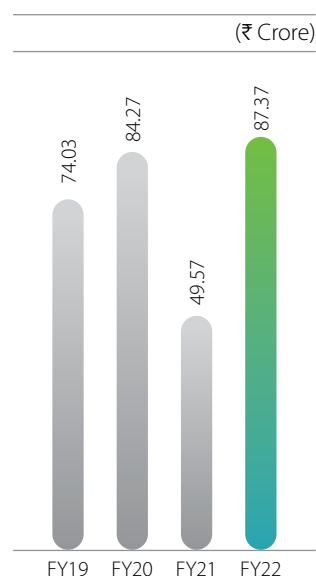
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with the retrospective averages of sectoral peers.

What does it mean?

Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

Value impact

A high EBITDA highlights the Company's operational efficiency and stable earnings potential.



Net profit

Definition

Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

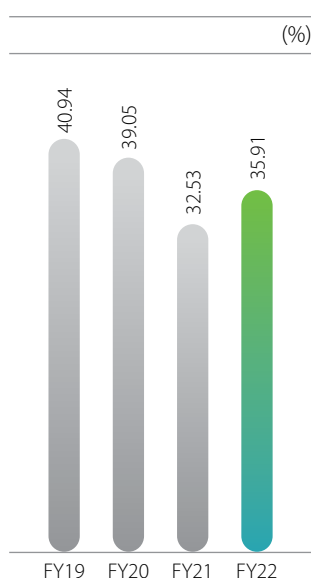
It highlights the strength in the business model in generating value for its shareholders.

What does it mean?

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain.

Value impact

The Company reported a 76.25% increase in net profit in 2021-22 following enhanced revenues.



EBITDA margin

Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

Why is this measured?

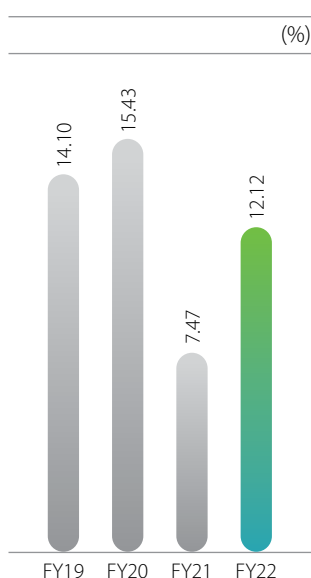
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What does it mean?

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a 338 bps increase in EBITDA margin during FY2021-22 following a revival in revenues and controlled expenses.



ROCE

Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is this measured?

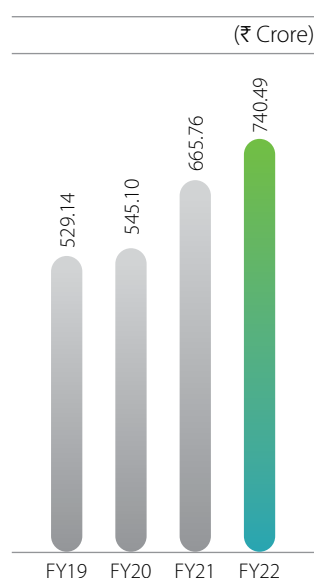
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?

Enhanced ROCE can potentially drive valuations and perception (on listing).

Value impact

The Company reported a 465 bps increase in ROCE during FY2021-22 followed increased sales.



Net worth

Definition

This is derived through the accretion of shareholder-owned funds.

Why is this measured?

Net worth indicates the financial soundness of the company – the higher the better.

What does it mean?

This indicates the borrowing capacity of the company and influences the gearing (which, in turn, influenced the cost at which the company can mobilise debt).

Value impact

The Company's net worth strengthened 11.22% during the year.



Our collection of products
