

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.

A. Conservation of Energy		2009-10	2008-09
1 Electricity			
(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
2 Furnace Oil			
Quantity			
Unit: Litre		1859129	2212036
Total cost (Rs. lacs)		444.90	547.47
Cost/Unit (Rs.)		23.93	24.75
3 Others			
(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
4 Consumption per Unit of Production			
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

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 the Deputy Managing Director manages day-to-day operations of the Company. As on March 31, 2010 the Board consisted of two Executive and five Non-Executive Directors.

During the financial year under review, seven Board Meetings were held on the following dates: May 30, 2009; June 27, 2009; July 26, 2009; August 29, 2009; October 31, 2009; January 30, 2010 and February 20, 2010.

Constitution of Board of Directors and related information

Name of Director	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of outside Directorship excluding Private Companies as on March 31, 2010	No. of outside Board Committee membership/Chairmanship excluding Private Companies as on March 31, 2010
Sri A C Chakrabortti	Chairman Non-Executive & Independent	7	Yes	11	6 (including 4 Chairmanships)
Sri Sushil Jhunjunwala	Managing Director	7	Yes	3	2
Sri Ajit Jhunjunwala	Dy. Managing Director	7	Yes	1	Nil
Sri Arun Churiwal	Non-Executive & Independent	6	No	5	1
Sri G Narayana	Non-Executive & Independent	6	Yes	3	Nil
Sri Shakir Ali	Non-Executive & Independent	6	Yes	1	Nil
Sri Rajiv Gujral	Non-Executive & Independent	6	No	5	Nil

Out of the Independent Directors, Sri A C Chakrabortti is holding 2,000 Equity Shares and Sri Arun Churiwal is holding 1,340 Equity Shares in the Company. No other Independent Directors hold any Equity Shares in the Company.

There are no pecuniary relationships or transactions 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 three Non-Executive Independent Directors. During the period under review, the Audit Committee met on four occasions; viz. May 30, 2009; July 26, 2009; October 31, 2009 & January 30, 2010; 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 Director	Category	No. of meetings attended during the financial year ended March 31, 2010
Sri G Narayana	Chairman Non Executive and Independent	3
Sri A C Chakrabortti	Non Executive and Independent	4
Sri Shakir Ali	Non Executive and Independent	4

ANNEXURE TO DIRECTOR'S REPORT

The role of the 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 Quarterly 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. The Managing Director, the Internal Auditor and the Statutory Auditor attend the meeting on invitation.

4. Remuneration Committee and Remuneration to Directors

(a) 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:

1) Sri Arun Churiwal, Chairman

2) Sri A C Chakrabortti

3) Sri G Narayana

The Remuneration Committee approved the remuneration payable to all Executive Directors and Non-Executive Directors within the overall limits approved by the shareholders and in accordance with the provisions of Companies Act, 1956. The Committee met on May 30, 2009 & May 20, 2010.

(b) Remuneration Policy

Remuneration to Managing/Executive Directors is paid as per their terms of appointment duly approved by the shareholders. Commission to the Directors is paid as approved by the Board within the limits prescribed under the Companies Act, 1956.

(c) Remuneration to Directors

The details of the remuneration paid/payable to the Directors during the year 2009-10 are given below:

Name of Director	Salary & Other Allowances*	Perquisites & Other Benefits	Commission	Sitting Fees	Total
Sri Sushil Jhunjunwala	3,613,500	444,603	-	-	4,058,103
Sri Ajit Jhunjunwala	2,722,500	273,000	-	-	2,995,500
Sri A C Chakrabortti	-	-	30,000	28,000	58,000
Sri G Narayana	-	-	30,000	24,000	54,000
Sri Shakir Ali	-	-	30,000	24,000	54,000
Sri Arun Churiwal	-	-	30,000	24,000	54,000
Sri Rajiv Gujral	-	-	30,000	24,000	54,000
Total	6,336,000	717,603	150,000	124,000	7,327,603

Perquisites & other benefits include Company's contribution to Provident Fund. The Company does not have any stock option scheme.

*Excludes incremental liability for gratuity which is actuarially determined on an overall basis.

5. Investors Grievance Committee

Chairman
Members

: Sri Shakir Ali
: Sri Sushil Jhunjunwala
: Sri Ajit Jhunjunwala
: Sri G Narayana
: Sri Alok Pandey
: 6 (Six)

Compliance Officer
No. of complaints received by Company's Registrar & Share Transfer Agents
M/s MCS Ltd during the financial year ended
March 31, 2010

No. of complaints resolved to the satisfaction of shareholders during the financial year ended March 31, 2010. : 6 (Six)

No. of pending share transfers as on March 31, 2010 : Nil

6. General Body Meeting

AGM for the financial year	Location of holding AGM	Date and time of AGM
2008 - 2009	'Gyan Manch', 11 Pretoria Street, Kolkata 700 071	August 29, 2009 11.30 a.m.
2007 - 2008	'Gyan Manch', 11 Pretoria Street, Kolkata 700 071	September 27, 2008 11.30 a.m.
2006 - 2007	'Gyan Manch', 11 Pretoria Street, Kolkata 700 071	September 04, 2007 11.30 a.m.

(a) Special Resolution passed in the last three years

- (a) No Special Resolution was passed at the 20th Annual General Meeting held on September 04, 2007
- (b) Special Resolution passed at the 21st Annual General Meeting held on September 27, 2008
 - (i) Payment of minimum remuneration during the year of inadequacy of profit or absence of profit to Mr Sushil Jhunjunhwal, Managing Director of the Company.
 - (ii) Payment of minimum remuneration during the year of inadequacy of profit or absence of profit to Mr Ajit Jhunjunhwal, Dy. Managing Director of the Company.
 - (iii) Enhancement of remuneration of Mrs Nidhi Jhunjunhwal as Sr. Manager – Product Development of the Company, a relative of Mr Sushil Jhunjunhwal, Managing Director and Mr Ajit Jhunjunhwal, Dy. Managing Director of the Company.
 - (iv) Enhancement of remuneration of Mrs Shruti Kishorepuria as Executive – Product Development of the Company, a relative of Mr Sushil Jhunjunhwal, Managing Director and Mr Ajit Jhunjunhwal, Dy. Managing Director of the Company.
- (c) Special Resolution passed at the 22nd Annual General Meeting held on August 29, 2009
 - (i) Re-appointment of Mr Sushil Jhunjunhwal as the Managing Director of the Company for a further period of 5 (five) years with effect from October 01, 2009 with modification of remuneration.

(b) Postal Ballot

During the year 2009-10, no resolution was passed through Postal Ballot by your Company.

7. Disclosure

(a) Related Party Disclosure:

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company. Transactions with related parties are duly disclosed in the financial statements.

(b) Compliances by the Company:

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years. Hence, the question of penalties or strictures being imposed by SEBI, the Stock Exchanges or any statutory authorities does not arise.

(c) Whistle Blower Policy:

The Company does not have a formal whistle blower policy. However, access to Audit Committee is made available to every employee.

(d) Code of conduct for prevention of Insider Trading:

The Board has laid down a code of conduct for all Board members and Senior Management of the Company in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same to the Board of Directors.

(e) The details of compliance with Mandatory/Non Mandatory requirements:

The Company has complied with all the mandatory requirements of the Corporate Governance Code including Board Composition, Audit Committee, Shareholders Grievance Committee, Disclosures to be made to the Board and Audit Committee including related party transactions, Accounting treatments, Risk Management etc.

ANNEXURE TO DIRECTOR'S REPORT

With respect to non-mandatory requirements, the Company has a Remuneration Committee in place and has no qualifications in the Auditors' Report.

8. Means of Communication

The Company has published its quarterly results in The Business Standard (English) in all editions and Aajkal (vernacular) in Kolkata. Management's Discussion & Analysis forms part of this Annual Report which is also being posted to all the shareholders of the Company.

9. Code of Conduct

The Board of La Opala RG Limited has laid down a code of conduct for all the Board members and the Senior Management. All the Board members and the Senior Management personnel have affirmed compliance of the code. A declaration of the MD & CEO of the Company is attached to this Annual Report.

10. CEO/CFO Certification

The Managing Director and the Chief Financial Officer have furnished the necessary certificate to the Board of Directors with respect to financial statements for the year ended March 31, 2010.

11. General Shareholders' Information

AGM date, time and venue	:	August 28, 2010, 12 noon 'Gyan Manch,' 11 Pretoria Street, Kolkata 700 071
Financial Calendar 2010-2011	:	1st Qtr. Result Last week of July, 2010 2nd Qtr. Result Last week of October, 2010 3rd Qtr. Result Last week of January, 2011 Audited Accounts Last week of May, 2011
Date of Book Closure	:	August 19, 2010 to August 28, 2010 (both days inclusive)
Dividend payment date	:	On or after August 28, 2010
Listing of Stock Exchanges	:	The National Stock Exchange Ltd. The Stock Exchange, Mumbai The Calcutta Stock Exchange Association Limited, Kolkata (Applied for delisting)
Stock code		
The National Stock Exchange Ltd.		LAOPALA
The Stock Exchange, Mumbai	:	526947
The Calcutta Stock Exchange Association Ltd, Kolkata	:	22016
Demat ISIN No. for CDSL & NSDL	:	INE 059D01012

Market Price Data : High/Low during each month during the last financial year

Month	Share Price		Sensex	
	High	Low	High	Low
April 2009	18.05	15.00	11403.25	9901.99
May 2009	25.75	16.40	14625.25	11682.99
June 2009	25.90	19.65	15466.81	14265.53
July 2009	21.20	18.35	15670.31	13400.32
August 2009	21.90	19.55	15924.23	14784.92
September 2009	30.60	20.90	17126.84	15398.33
October 2009	32.15	25.95	17326.01	15896.28
November 2009	28.25	26.30	17198.95	15404.94
December 2009	36.05	27.00	17464.81	16601.20
January 2010	44.65	33.20	17701.13	16289.82
February 2010	42.55	38.40	16496.05	15790.93
March 2010	41.50	37.60	17711.35	16772.56

Registrar & Share Transfer Agents	:	MCS Ltd 77/2A Hazra Road Kolkata 700 029 tel: 24541892/93 fax: 24747674 email: mcskol@rediffmail.com
Share Transfer System	:	Registrar and Share Transfer Agents attend to share transfer formalities once in a fortnight. Demat requests are normally confirmed within 4 days from the date of receipt of request.

Distribution of Shareholding as on March 31, 2010

No. of Equity Shares held	Shareholder(s) Nos.	Shareholder(s) %	Shareholding(s) Nos.	Shareholding(s) %
1 to 500	4142	86.3276	561474	5.2982
501 to 1000	293	6.1067	245343	2.3151
1001 to 2000	173	3.6057	280431	2.6462
2001 to 3000	56	1.1672	146837	1.3856
3001 to 4000	26	0.5419	95278	0.8991
4001 to 5000	24	0.5002	116116	1.0957
5001 to 10000	42	0.8754	323769	3.0551
10001 to 50000	23	0.4794	458051	4.3222
50001 to 100000	6	0.1251	435583	4.1102
100001 and above	13	0.2709	7934650	74.8726
	4798	100.0000	10597532	100.0000

Shareholding Pattern as on March 31, 2010

Category	Number of Equity Shares held	% of Equity Shares held
A. Promoters Holding		
1. Promoters		
Indian Promoters	6944466	65.526
Foreign Promoters	Nil	Nil
2. Persons acting in concert	3740	0.034
Sub-Total	6948206	65.564
B. Non-Promoters Holding		
3. Institutional Investors	Nil	Nil
a. Mutual Funds and UTI	250494	2.363
b. Banks, Financial Institution, Insurance Companies (Central/State Govt. Institution/ Non-Govt. Institution)	Nil	Nil
c. FII's	Nil	Nil
Sub-Total	250494	2.363
4. Others		
a. Private Corporate Bodies	992612	9.366
b. Indian Public	2153440	20.320
c. NRIs/OCBs/Foreign Companies	251780	2.375
d. Any other (specify) Foreign Company	1000	0.009
Sub-Total	3398832	32.073
GRAND TOTAL	10597532	100.00

ANNEXURE TO DIRECTOR'S REPORT

Dematerialisation of Shares : 3672804 (34.65%) of the shares issued by the Company have been dematerialised up to March 31, 2010.

Outstanding GDR/ADR/Warrants or any convertible instruments, conversion dates and likely impact on equity : N.A.

Plant Location

1. La Opala RG Ltd
Post: Madhupur, Dist. Deoghar
Jharkhand
2. B-108 ELDECO SIDCUL Industrial
Park, Sitargunj, Udham Singh Nagar,
Uttarakhand 262 405

Address for Correspondence : Shareholders should address their Correspondence to the Company's Registrar & Share Transfer Agents at the following address:

MCS Ltd

77/2A Hazra Road
Kolkata 700 029

Shareholders may also contact Company Secretary at the Registered Office of the Company for any assistance. The address of the Registered Office is as under:

La Opala RG Ltd

'Chitrakoot', 10th floor
230A A.J.C. Bose Road
Kolkata 700 020
tel: 3053 6656/57/58
fax: 3053 6659
email: laopala@eth.net

Place: Kolkata
Date: May 20, 2010

For and on behalf of the Board of the Directors

A C Chakrabortti
Chairman

May 20, 2010

DECLARATION OF MD & CEO

I, Sushil Jhunjunwala, Managing Director and CEO of La Opala RG Ltd, do hereby declare that the Company has duly complied with requirement relating to the code of conduct as laid down in Clause 49 (I) (D) of the Listing Agreement with the Stock Exchanges.

Sushil Jhunjunwala
Managing Director & CEO

CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

- a) We have reviewed financial statements and cash flow statement for the year ended 31.03.2010 and that to the best of our knowledge and belief
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept that it is our responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and the Audit Committee, wherever applicable.
 - (1) Deficiencies in the design or operation of internal controls, if any, when come to our notice and we take steps or propose to take steps to rectify those deficiencies.
 - (2) Significant changes in internal control.
 - (3) Significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements.
 - (4) Instances of significant fraud of which we have been aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system.

Sushil Jhunjunwala
Managing Director & CEO

Alok Pandey
G.M. Finance & Secretary & CFO

AUDITORS' CERTIFICATE

The Members of
La Opala RG Limited

We have examined the compliance of conditions of corporate governance by LA OPALA RG LIMITED, for the year ended on March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Doshi, Chatterjee, Bagri & Co.
Chartered Accountants.
Firm Registration No: 325197E

R. K. BAGRI
Partner
Membership No. 51956

Place: Kolkata
Date: May 20, 2010

Industry Structure & Development

The continued recession in the developed world, sub-normal and delayed monsoon, sluggish export recovery, high double-digit food inflation, slowdown of financial flows into economy, insurgence of import at cheaper rate, have affected the domestic market in India and the global recession and financial crisis in developed countries have affected the export markets as well. The financial year 2009-10 was a very difficult year. In spite of a difficult market scenario, the Company was able to increase its turnover by 19.78%. To strengthen its brand and increase its market share, the Company has appointed Ms Bipasha Basu as its Brand Ambassador.

Opportunities and Threat

The Indian economy has weathered the global downturn relatively well and its inherent trend of young population, skilled manpower and rising saving, indicate the momentum of growth is strengthening and is projected to reach over 7% in 2010. With the growth of the Indian economy and increase in the disposable income of the middle class, there exists an opportunity for the Company to grow at a faster rate, but at the same time there is also a threat of insurgence of import from China and other countries. The competitive situation has been further aggravated from unhealthy competition from the unorganised sector.

Outlook

With the expected 7% growth in the economy and the inputs like increase in width and depth of distribution, brand wise aggressive marketing strategies and focus of booming modern trade business, the Company is expected to significantly increase its market share from the present level. The cost reduction measures taken by the Company and the capacity to provide quality products at an affordable price is expected to yield, barring unforeseen circumstances, good and improved result in the current year's working.

Risks and concerns

The main concern for the Company is increasing price war from the foreign brands and the products available from unorganised sector which, in turn, can squeeze the Company's margin. The other concern for the Company is the fluctuation of oil prices.

Internal Control System and their Adequacy

The Company has adequate internal control systems and procedures with regard to purchase of raw material, stores, packing material etc. commensurate with the size and nature of the business.

Financial Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India. During the year, sales amounted to Rs. 7681.14 lacs compared to Rs. 6412.69 lacs in the previous year. Profit before tax amounted to Rs. 447.88 lacs as compared to Rs. 170.74 lacs in the previous year. The Company's financial position has improved and as a result the profit after tax has increased from Rs. 81.40 lacs to Rs. 276.73 lacs. The Company has repaid a loan of Rs. 559.86 lacs resulting in higher stability.

Industrial Relations

Industrial relations during the year under review remained cordial and peaceful. La Opala continuously endeavours to upgrade the knowledge and skills of its employees and attaches utmost priority to human resource development.

Corporate Social Responsibility

Your Company ensures the protection of interest not only of its stakeholders but the community at large. The Children's Park as well as the Tripur Dham Temple at Madhupur is being maintained by the Company. The Company also provides lights at strategic locations in villages surrounding the factory.

Cautionary Statement

Statements in the Management's Discussion and Analysis Report describing the Company's projection, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, change in Government regulations, tax regimes, economic developments within the country and other factors such as litigation and labour negotiations.

Place: Kolkata
Date: May 20, 2010

By Order of the Board
A C Chakraborti
Chairman

Accounts section

**To the members of
LA OPALA RG LIMITED**

We have audited the attached Balance Sheet of LA OPALA RG LIMITED [the Company] as at March 31, 2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and Cash Flow statement read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Doshi, Chatterjee, Bagri & Co.
Chartered Accountants
Firm Registration No.: 325197E

R. K. Bagri
Partner
Membership No. 51956

Kolkata
Date: May 20, 2010

AUDITORS' REPORT

Annexure referred to in paragraph (1) of the Auditors' Report of even date to the members of LA OPALA RG LIMITED on the accounts as at and for the year ended March 31, 2010

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, we are of the opinion that the Company has maintained proper records of inventory. As far as we can ascertain and according to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book stocks were not material and the same have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order is not applicable.
- (b) According to the information and explanations given to us, except for unsecured loans of Rs. 140 lacs (including opening balance of Rs. 136.37 lacs) taken from two directors, the Company has not taken any loans, secured or unsecured, from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 143.03 lacs and the year end balance was Rs.142.80 lacs.
- (c) The rate of interest and other terms and conditions on which above mentioned loans have been taken from the directors are prima facie not prejudicial to the interest of the Company.
- (d) There are no stipulations for repayment of the above-mentioned loans.
- (iv) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the underlying internal controls.
- (v) (a) According to the information and explanations given to us , the contracts and arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to information and explanations given to us, the transactions of purchase of services made in pursuance of contract and arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Rs. 500000/- or more, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956. Accordingly, paragraph 4 (vi) of the order is not applicable.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-tax/Value Added Tax, Service tax, Customs duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid dues are there at the year end for a period of more than six months from the date they became payable.

(b) According to the records of the Company and the information and explanation given to us, the dues outstanding in respect of income tax, sales tax, custom duty, wealth tax, service tax, excise duty and cess on account of dispute are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,61,250	01.04.1987-25.11.1997	High Court
Income Tax Act, 1961	Income Tax	4,88,552	2000-01	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	11,21,145 49,70,901 2,26,538	2003-04 2005-06 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	97,869	2006-07	Deputy Commissioner of Income Tax
Central Sales Tax Act, 1956	Sales Tax	47,14,326	2002-06	Supreme Court
Bihar Sales Tax Act	Sales Tax	9,33,756 96,22,991 42,38,640	1996-97 1998-99 2000-01	Commissioner of Commercial Taxes
Central Excise Act, 1944	Excise Duty	58,59,993	2008-09	Customs, Excise & Service Tax Appellate Tribunal

- (x) The Company does not have any accumulated losses at the end of the reporting financial year and has not incurred cash losses in the financial year and immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks.
- (xii) As the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the order is not applicable.
- (xiii) As the Company is not a Chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the order is not applicable.
- (xiv) The Company has maintained proper records of the transactions for dealing in securities and other investments and timely entries have been made therein. The shares, securities and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, paragraph 4 (xv) of the order is not applicable.
- (xvi) The Company has not taken any term loan during the year. Accordingly, paragraph 4 (xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of financial statements of the Company, we report that Rs. 40 lacs approximately raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly, paragraph 4 (xviii) of the order is not applicable.
- (xix) The Company has not issued any debentures and as such, paragraph 4 (xix) of the order is not applicable.
- (xx) Since the Company has not raised any money by public issue during the year, paragraph 4 (xx) of the order is not applicable.
- (xxi) On the basis of our examination of books of account and according to the information and explanations provided to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2010.

Doshi, Chatterjee, Bagri & Co.
Chartered Accountants
Firm Registration No.: 325197E

R. K. Bagri
Partner
Membership No. 51956
Date: May 20, 2010

BALANCE SHEET AS AT MARCH 31, 2010

			As at 31.03.2010 Rs	As at 31.03.2009 Rs
SOURCES OF FUND	Schedule	Rs.		
Shareholders' Funds				
Share Capital	1		105,975,320	105,975,320
Reserves and Surplus	2		274,398,790	256,024,700
			<u>380,374,110</u>	<u>362,000,020</u>
Loan Funds				
Secured Loans	3	374,582,124		393,114,607
Unsecured Loans	4	<u>15,605,795</u>		<u>53,060,138</u>
			390,187,919	446,174,745
Deferred Tax Liabilities (Net)	5		<u>66,957,652</u>	<u>47,337,077</u>
			<u>837,519,681</u>	<u>855,511,842</u>
APPLICATION OF FUNDS				
Fixed Assets	6			
Gross Block		776,513,884		753,854,556
Less: Depreciation		<u>256,109,868</u>		<u>214,068,688</u>
Net Block		520,404,016		539,785,868
Add: Capital Work in Progress including Capital Advances		<u>9,771,720</u>		<u>195,335</u>
			530,175,736	539,981,203
Investments	7		753,300	753,300
Current Assets, Loans & Advances	8			
Stock-in-trade		231,766,006		250,969,168
Sundry Debtors		129,082,944		120,191,926
Cash & Bank Balances		11,005,956		3,902,546
Other Current Assetst		8,283,746		14,317,939
Loans & Advances		<u>42,486,127</u>		<u>23,538,552</u>
		422,624,779		412,920,131
Less: Current Liabilities & Provisions	9			
Current Liabilities		94,365,690		87,805,261
Provisions		<u>21,858,444</u>		<u>10,622,531</u>
		<u>116,224,134</u>		<u>98,427,792</u>
Net Current Assets			306,400,645	314,492,339
Miscellaneous Expenditure	10		190,000	285,000
(To the extent not written off or adjusted)				
			<u>837,519,681</u>	<u>855,511,842</u>
Notes to Accounts	15			
Schedules 1 to 10 & 15 form part of the Balance Sheet				
This is the Balance Sheet referred to in our report of even date				

For DOSHI, CHATTERJEE, BAGRI & CO.
Chartered Accountants
Firm Registration No. 325197E

R. K. Bagri
Partner
Membership No: 51956
Kolkata
Date: May 20, 2010

Alok Pandey
G. M. Finance
& Secretary

On behalf of the Board
A. C. Chakrabortti - **Chairman**
Sushil Jhunjunwala - **Managing Director**
Ajit Jhunjunwala - **Dy. Managing Director**

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010



		For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME	Schedule		
Sales		779,352,843	646,033,689
Export Incentives		10,141,425	11,373,466
		<u>789,494,268</u>	<u>657,407,155</u>
Less: Returns		11,239,151	4,763,761
		<u>778,255,117</u>	<u>652,643,394</u>
Less: Excise Duty		28,484,637	32,560,138
		<u>749,770,480</u>	<u>620,083,256</u>
Other Income	11	1,352,657	5,041,854
Variation In Stock	12	(10,135,673)	101,307,196
		<u>740,987,464</u>	<u>726,432,306</u>
EXPENDITURE			
Material Cost		119,243,254	133,427,911
Packing Material Consumed		52,770,375	43,306,279
Manufacturing Expenses	13	228,038,639	263,757,451
Administrative, Interest, Selling & Distribution Expenses	14	253,220,139	222,437,719
Depreciation		42,831,844	46,333,606
Miscellaneous Expenditure written off		95,000	95,000
		<u>696,199,251</u>	<u>709,357,966</u>
Profit before Taxation		44,788,213	17,074,340
Provision for Taxation:			
– Income Tax - Current tax		8,136,996	1,947,618
– MAT Credit entitlement		(10,642,385)	-
– Fringe Benefit tax		-	929,605
– Deferred tax		19,620,575	6,057,041
Profit after Taxation		<u>27,673,027</u>	<u>8,140,076</u>
Balance brought forward		134,941,710	126,801,634
Profit available for appropriation		<u>162,614,737</u>	<u>134,941,710</u>
APPROPRIATIONS :			
Proposed Dividend		7,948,149	-
Tax on Proposed Dividend		1,350,788	-
Transfer to General Reserve		-	-
Balance Carried to Balance Sheet		153,315,800	134,941,710
		<u>162,614,737</u>	<u>134,941,710</u>

Notes to Accounts

Earnings Per Share: Basic & Diluted (in Rs.)
(Refer Note No. 7 in Schedule 15)

Schedules 11 to 15 form part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date

For DOSHI, CHATTERJEE, BAGRI & CO.
Chartered Accountants
Firm Registration No. 325197E

R. K. Bagri
Partner
Membership No: 51956
Kolkata
Date: May 20, 2010

Alok Pandey
G. M. Finance
& Secretary

On behalf of the Board
A. C. Chakrabortti - **Chairman**
Sushil Jhunjunwala - **Managing Director**
Ajit Jhunjunwala - **Dy. Managing Director**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	2009-10 Rs.	2008-09 Rs.
A Cash Flow from Operating Activities		
Net Profit before Taxation and Extraordinary Items	44,788,213	17,074,340
Adjustment for:		
Depreciation	42,831,844	46,333,606
(Profit)/Loss on sale of investments	28	-
Provision for Doubtful Debts	2,839,770	-
Provision for Doubtful Advances	141,600	1,115,000
Loss on sale of Fixed Assets	883,083	511,992
Interest Income	(262,077)	(314,630)
Interest Expenses	40,523,749	41,286,695
Dividend Received	(6,392)	(7,039)
(Gain)/Loss on Forward Contract	3,199,531	16,667,487
Miscellaneous Expenditure written off	95,000	95,000
Operating Profit before working capital changes	135,034,349	122,762,451
Movements in Working Capital		
Decrease/(Increase) in sundry debtors	(11,730,788)	(21,650,359)
Decrease/(Increase) in Inventories	19,203,162	(127,316,779)
Decrease/(Increase) in Loans & advances	(7,956,591)	2,450,039
Decrease/(Increase) in Other Current Assets	6,034,193	(6,035,067)
Increase/(Decrease) in Current Liabilities	8,821,032	(4,093,401)
Cash generated from operations	149,405,357	(33,883,116)
Direct Taxes paid (Net of Refunds)	(8,627,195)	(3,488,728)
Cash Flow before extraordinary items	140,778,162	(37,371,844)
Cash Flow from operating activities	140,778,162	(37,371,844)
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(36,356,934)	(15,720,196)
Sale of Fixed Assets	1,356,819	60,000
Purchase of Investment	(3,004,942)	-
Sale of Investments	3,004,914	-
Dividend Received	6,392	7,039
Interest Received	262,077	314,630
Net cash used in investing activities	(34,731,674)	(15,338,527)
C Cash flow from Financing Activities		
Proceeds (Repayment of) from Borrowings	(55,933,302)	112,649,352
Gain/Loss on Forward Contract	(3,199,531)	(16,667,487)
Interest Paid	(39,810,245)	(40,531,516)
Dividend paid (including dividend distribution tax)	-	(9,464,576)
Net Cash used in Financing activities	(98,943,078)	45,985,773
Net Increase/(Decrease) in cash or cash equivalents (A+B+C)	7,103,410	(6,724,598)
Cash or Cash equivalents at the beginning of the year	3,902,546	10,627,144
Cash or Cash equivalents at the end of the year	11,005,956	3,902,546
Components of cash and cash equivalents as at	31.03.2010	31.03.2009
Cash in hand	520,841	368,516
With banks	10,485,115	3,534,030
	11,005,956	3,902,546

Notes: The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statement (AS 3) issued by The Institute of Chartered Accountants of India

As per our Report of even date

For DOSHI, CHATTERJEE, BAGRI & CO.
Chartered Accountants
Firm Registration No. 325197E

R. K. Bagri
Partner
Membership No: 51956
Kolkata
Date: May 20, 2010

Alok Pandey
G. M. Finance
& Secretary

On behalf of the Board
A. C. Chakrabortti - Chairman
Sushil Jhunjunwala - Managing Director
Ajit Jhunjunwala - Dy. Managing Director

SCHEDULES FORMING PART OF THE BALANCE SHEET



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE : 01		
Share Capital		
Authorised		
150,00,000 (150,00,000) Equity Shares of Rs. 10 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Paid Up		
10,597,532 (10,597,532) Equity Shares of Rs. 10 each fully paid up	<u>105,975,320</u>	<u>105,975,320</u>
Of the above shares -		
6,00,000 Equity Shares have been allotted as fully paid up Bonus Shares by capitalisation of Revaluation Reserve		
60,48,766 Equity Shares have been allotted as fully paid up Bonus Shares by capitalisation of Free Reserve		
19,23,766 Equity Shares have been allotted as fully paid up Shares for consideration otherwise than in cash in terms of Scheme of Amalgamation		
SCHEDULE : 02		
Reserves & Surplus		
(1) Capital Reserve:		
(a) Capital Revaluation Reserve: Balance as per last account	1,214,135	1,214,135
(b) Subsidy: Balance as per last account	1,311,344	1,311,344
(2) Securities Premium: Balance as per last account	14,337,340	14,337,340
(3) General Reserve: Balance as per last account	104,220,171	104,220,171
(4) Profit & Loss Account Balance as per annexed accounts	<u>153,315,800</u>	<u>134,941,710</u>
	<u>274,398,790</u>	<u>256,024,700</u>
Schedule : 03		
Secured Loans		
Term Loan (Including Foreign Currency Term Loan) (Secured against mortgage of fixed assets of Madhupur and Sitargunj Units)	224,959,868	249,990,537
Working Capital Loan (Secured against hypothecation of entire current assets including inventory and receivables)		
Cash Credit	139,740,119	142,557,406
Buyers' Credit	9,558,329	-
Other Loans (Secured against the fixed assets purchased thereagainst)	323,808	566,664
	<u>374,582,124</u>	<u>393,114,607</u>
Note: Amount falling due for payment within one year Rs. 46,542,856/- (P.Y.- Rs. 17,742,856/-)		
SCHEDULE : 04		
Unsecured Loans		
From Corporate Bodies	-	24,277,225
From Directors	14,279,614	14,001,168
Deferred Sales Tax	<u>1,326,181</u>	<u>14,781,745</u>
	<u>15,605,795</u>	<u>53,060,138</u>
SCHEDULE : 05		
Deferred Tax Liabilities (Net)	<u>66,957,652</u>	<u>47,337,077</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE : 06 Fixed Assets

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2009 Rs.	Additions / Adjustments Rs.	Sales / Adjustments Rs.	As at 31.03.2010 Rs.	Up to 31.03.2009 Rs.	For the year Rs.	Adjustments Rs.	Up to 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Tangible Assets										
Land	2,626,696	-	-	2,626,696	-	-	-	-	2,626,696	2,626,696
Land (Lease Hold)	28,799,042	-	-	28,799,042	924,134	327,262	-	1,251,396	27,547,646	27,874,908
Building	150,743,902	1,045,421	1,090,655*	150,698,668	26,199,136	4,442,725	-	30,641,861	120,056,807	124,544,767
Plant & Machinery	544,296,454	23,052,999	2,136,563	565,212,890	176,278,732	36,080,035	284,562	212,074,205	353,138,685	368,017,721
Furniture & Fixtures	17,272,983	2,256,602	20,960	19,508,625	6,177,447	1,255,738	4,143	7,429,042	12,079,583	11,095,536
Vehicles	5,378,708	-	873,041	4,505,667	2,241,622	446,165	501,957	2,185,830	2,319,837	3,137,086
Office & Other Equipment	4,736,771	326,061	-	5,062,832	2,247,617	260,919	-	2,508,536	2,554,296	2,489,154
Intangible Assets										
Computer Software	-	99,466	-	99,466	-	19,000	-	19,000	80,466	-
Total - This Year	753,854,556	26,780,549	4,121,219	776,513,886	214,068,688	42,831,844	790,662	256,109,870	520,404,016	539,785,867
Previous Year's Total	746,179,370	16,390,800	8,715,614	753,854,556	170,068,484	46,333,606	2,333,402	214,068,688	539,785,868	-
Capital Work-in-progress									9,771,720	195,335

* Represents excess, capitalised on 31.03.2009

SCHEDULE : 07 Investments

Other than trade (at cost)

**LONG TERM INVESTMENT
QUOTED ***

A. Equity Shares (of Rs. 10 each fully paid up)

Genesis Exports Ltd.

75,330

**As at
31.03.2010
Rs.**

879,983

**As at
31.03.2009
Rs.**

879,983

Total

(75,330)

879,983

879,983

Less: Diminution in Value of Investment

126,683

126,683

753,300

753,300

*Listed but Quotations not available

Details of Investments in Mutual Funds made and redeemed during the year:

Name of the Fund (Face Value)

**Quantity
Purchased**

**Quantity
Sold**

HDFC Cash Management Fund (Rs. 10.00)

299,879.658
(349,602.624)

299,879.658
(349,602.624)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE : 08		
Current Assets, Loans & Advances		
A. Stock in Trade		
Raw Materials	54,387,081	66,991,787
Finished Goods	35,670,624	33,472,314
Semi Finished Goods	109,143,554	121,477,537
Packing Materials	7,206,703	7,110,201
Stock in Transit	382,418	1,213,978
Stores (Including Oil & Repair Stocks)	24,975,626	20,703,351
	<u>231,766,006</u>	<u>250,969,168</u>
B. Sundry Debtors (Considered Good except otherwise stated)		
Exceeding 6 Months		
Secured	926,009	707,389
Unsecured (Including Rs. 28,39,770/- considered doubtful)	10,229,076	5,802,950
	<u>11,155,085</u>	<u>6,510,339</u>
Other Debts		
Secured	4,794,991	4,433,611
Unsecured	115,972,638	109,247,976
	<u>120,767,629</u>	<u>113,681,587</u>
	131,922,714	120,191,926
Less : Provision for doubtful debt	2,839,770	-
	<u>129,082,944</u>	<u>120,191,926</u>
C. Cash & Bank Balances		
Cash in Hand	520,841	368,516
With Scheduled Bank : On Current Account	8,316,133	2,741,225
: On Unpaid Dividend Account	873,789	792,805
: On Margin Account	1,295,193	-
	<u>11,005,956</u>	<u>3,902,546</u>
D. Other Current Assets		
Capital Subsidy	-	3,000,000
Interest Receivable	252,950	253,502
Export Incentives Receivable (Including Licence in Hand)	8,030,796	11,064,437
	<u>8,283,746</u>	<u>14,317,939</u>
E. Loans & Advances (Unsecured, considered good except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received or pending adjustments (including Rs. 12,56,600 considered doubtful)	27,977,448	18,205,858
Balances with Customs, Excise, Port Trust etc.	3,014,556	4,829,555
Advance Payment of Taxation (Including MAT Credit Entitlement) (net of Provisions)	12,750,723	1,618,139
	<u>43,742,727</u>	<u>24,653,552</u>
Less: Provision for Doubtful Advances	1,256,600	1,115,000
	<u>42,486,127</u>	<u>23,538,552</u>
	<u>422,624,779</u>	<u>412,920,131</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE : 09		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors for Goods & Services	39,528,997	44,019,008
For Expenses & Other Finance	41,853,039	34,810,404
Advance from Customers	4,868,057	2,095,729
Security Deposits	5,721,500	5,346,500
Interest Accrued but not due	1,520,308	753,280
Unclaimed Dividend (Note 1)	873,789	780,340
	<u>94,365,690</u>	<u>87,805,261</u>
Provisions		
For Proposed Dividend	7,948,149	-
For Dividend Tax	1,350,788	-
For Gratuity	10,094,366	9,225,651
For Excise Duty	<u>2,465,141</u>	<u>1,396,880</u>
	<u>21,858,444</u>	<u>10,622,531</u>
	<u>116,224,134</u>	<u>98,427,792</u>
Note 1. There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
SCHEDULE : 10		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	285,000	380,000
Less: Amortised during the year	<u>95,000</u>	<u>95,000</u>
	<u>190,000</u>	<u>285,000</u>
SCHEDULE : 11		
Other Income		
	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Interest (Gross) (Tax Deducted at Source Rs. 5,730) (P.Y. Rs. 2,304)	262,077	314,630
Dividend on Current Investments	6,392	7,039
Miscellaneous Receipts	567,089	307,324
Variation in Excise Duty on Inventories	-	1,589,049
Insurance Claim Received	217,059	72,606
Gain on Foreign Exchange (Net)	-	2,751,206
Sundry Balances written back	300,040	-
	<u>1,352,657</u>	<u>5,041,854</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT



SCHEDULE : 12 Variation in Stock

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Closing Stock:		
Finished Goods	35,670,624	33,472,314
Semi Finished Goods	109,143,554	121,477,537
	<u>144,814,178</u>	<u>154,949,851</u>
Less: Opening Stock		
Finished Goods	33,472,314	29,166,974
Semi Finished Goods	<u>121,477,537</u>	<u>24,475,681</u>
	154,949,851	53,642,655
	<u>(10,135,673)</u>	<u>101,307,196</u>

SCHEDULE : 13 Manufacturing Expenses

Wages & Allowances	47,430,286	44,026,388
Stores & Spare Parts (Including Oil & Repairs Stock)	22,694,169	23,183,926
Power & Fuel	128,135,758	175,976,516
Repairs to Plant & Machinery	21,869,542	11,892,025
Repairs to Building	963,337	1,037,911
Repairs to Others	5,849,589	6,564,326
Processing Charges	1,095,958	1,076,359
	<u>228,038,639</u>	<u>263,757,451</u>

SCHEDULE : 14 Administrative, Interest, Selling and Distribution Expenses

Salary & Allowances	48,601,777	40,594,050
Employer's Contribution to Provident Fund	6,314,659	5,736,643
Employer's Contribution to Employees' State Insurance Corporation	1,165,546	1,164,223
Gratuity	1,787,070	2,178,576
Staff Welfare	2,306,608	1,824,807
Rent	3,388,250	3,399,894
Rates & Taxes	1,181,713	839,949
Insurance	1,357,413	1,092,347
Travelling	12,298,982	9,173,133
Donation	80,000	-
Audit Fees	307,500	307,500
Directors' Commission	150,000	-
Miscellaneous Expenses	24,734,166	19,268,251
Transport Charges	22,602,972	17,202,034
Advertisement and Sales Promotion	59,141,750	40,518,821
Transit Loss	2,192,852	4,002,426
Discount	7,619,128	5,260,318
Brokerage & Commission	5,883,373	4,822,222
Loss on sale/discard of assets (Net)	883,083	511,992
Loss on sale of current investments	28	-
Loss on Foreign Exchange Fluctuation (Net)	2,659,049	-
Provision for Doubtful Advances	141,600	1,115,000
Provision for Doubtful Debt	2,839,770	-
Loss on Forward Contracts	3,199,531	16,667,487
Irrecoverable Balances written off (Net)	-	5,471,351
Variation in excise duty on inventories	1,068,261	-
Loss on sale of DEPB Licence	214,618	-
Prior Period Adjustments	576,691	-
Interest on Fixed Loans	26,174,573	28,638,077
Interest on Working Capital	10,770,197	9,829,227
Interest to Others	3,578,979	2,819,391
	<u>253,220,139</u>	<u>222,437,719</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 15: Notes to Accounts

1.0 Nature of Operations

La Opala RG Limited is a leading manufacturer and marketer of lifestyle products in the tableware segment. The Company has spread its wings beyond the domestic arena and ventured into leading markets of the world.

2.0 Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Amendment Rules 2006 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention (except for revaluation of certain fixed assets) on accrual basis except for Subsidy, Insurance Claim and Carbon Credit, which are accounted for on cash/acceptance basis due to uncertainty of realisation. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Fixed Assets are classified as tangible and intangible assets.

(c) Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal or external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their "value in use". The estimated future cash flows are discounted to their present value at the weighted average cost of capital. Reversal of impairment loss is recognised immediately as income in the Profit and Loss Account.

(d) Depreciation

Depreciation on tangible fixed assets (other than the revalued assets) is calculated on their respective cost and depreciation on revalued asset is calculated on their respective revalued amount, on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Intangible assets are amortised over useful life not exceeding 5 years.

(e) Borrowing Costs

Borrowing Costs relating to acquisition/construction of qualifying assets are capitalised until the time of substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(f) Expenditure on New Projects

Expenditure directly relating to the construction activity is capitalised. Pre-operative and indirect expenditure incurred during construction period is capitalised as part of indirect construction cost to the extent to which the expenditure is related to the construction or is incidental thereto. Income attributable to the project is deducted from the total of the indirect expenditure.

(g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease rentals are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(h) Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

(i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(j) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are written down below cost if the finished products in which they will be incorporated are expected to be sold below cost. Cost is determined on first in first out (FIFO) basis.

Work-in-progress and finished goods

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to complete the sale.

In case of transfer of materials from one division to other, the transfer price is considered as the cost.

(k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(l) Foreign currency transaction

Foreign exchange transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transactions. Realised gains/losses on foreign exchange transactions during the year are recognised in the Profit and Loss Account.

Foreign exchange assets and liabilities are translated at the year end rates and resultant gains/losses from foreign exchange translation are recognised in the Profit and Loss Account.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

(m) Employee Benefits

i Short Term Employee Benefits

Short term employee benefits, such as salaries, wages, performance incentives, etc. are recognised as an expense at actual amounts, in the Profit & Loss Account of the year in which the related service is rendered. Earned leave accrued during the year is paid after the end of the year and charged to the Profit & Loss Account.

ii Post Employment Benefits

(a) Defined contribution plans

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme and Government administered Pension Fund Scheme for the employees. The company makes monthly contributions towards these funds/schemes, which are recognised in the Profit & Loss Account in the financial year to which they relate.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(b) Defined benefit plans

The company has a defined benefit plan for post-employment benefit in the form of Gratuity for all employees which are administered through Life Insurance Corporation of India (LIC). Liability for the above defined benefit plan is provided and contributed on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method. The fair value of the plan asset is reduced from the gross obligation to recognise the obligation on net basis. Contribution as above and actuarial gain/loss are recognised in the Profit & Loss Account of the year.

(n) Income taxes

Tax expense comprises of current tax, deferred tax charge or release and Fringe Benefit Tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably or virtually certain, as the case may be, that sufficient income will be available against which deferred tax asset can be realised.

(o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event, that probably requires an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(q) Contingencies

Liabilities, which are contingent in nature, are disclosed in the notes to accounts.

3.0 Disclosure under AS-15 (Revised 2005)

Employees Benefits in the form of Gratuity has been measured on the Projected Unit Credit Method on the basis of actuarial valuation. The actuarial valuation of Gratuity has been done on the following assumptions:

	2009-10	2008-09
Discount Rate	8%	8%
Rate of increase in compensation level	5%	5%
Rate of Return on plan assets	8%	8%
Expected Average remaining working lives of employees (years)	17.40 to 27.20	18.39 to 28.83
Change in the present value of obligation	(Rs. in lacs)	(Rs. in lacs)
Present value of obligation (Opening)	146.08	129.90
Current Service Cost	15.28	14.24
Interest cost	12.36	11.03
Actuarial (gains)/losses	(4.51)	1.15
Benefits paid	(6.31)	(10.24)
Present value of obligation (Closing)	162.90	146.08

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT



Change in the Fair Value of Plan Assets

Fair value of Plan Assets (Opening)	53.83	50.43
Actual Return on Plan Assets	4.63	4.17
Actual Company contribution	9.18	9.00
Actuarial Gains/(Loss)	0.63	0.47
Benefits paid	(6.31)	(10.24)
Fair value of Plan Assets (Closing)	61.96	53.83

Reconciliation of present value of obligation and the fair value of Plan Assets	(Rs.in lacs)	(Rs.in lacs)
Present value of Closing funded obligation	154.63	141.32
Present value of Closing unfunded obligation	8.27	4.76
TOTAL	162.90	146.08

Fair value of plan assets (closing) (to the extent funded)	61.96	53.83
Unfunded Net Liability recognised in the Balance Sheet	100.94	92.25

Expenses recognised in the Profit and Loss Account

Current Service Cost	15.28	14.24
Interest cost	12.36	11.03
Expected Return on Plan Asset	(4.63)	(4.17)
Actuarial Losses (Gains) on Obligation	(4.51)	1.15
Actuarial Losses (Gains) on Plan Asset	(0.63)	(0.47)
Total Expenses recognised in Profit & Loss Account	17.87	21.78

Notes:

- Expected rate of return on plan assets is based on the actuarial expectation of the average long-term rate of return expected on investment of the fund during the estimated term of the obligation.
- The estimates of future salary increase takes into account the inflation, seniority, promotion and other relevant factors on long term basis.
- The present value of Gratuity obligation of Rs. 8.27 lacs for employees of Sitargunj unit has not been funded.
- The Company expects to contribute Rs. 10.30 lacs during the year 2010-11.

4.0 Segment Information

The Company deals in one product only – glass and glassware. As such, it does not have reportable business segment. For the purpose of geographical segments, the consolidated sales are divided into India and other countries. The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

	2009-10 (Rs.)	2008-09 (Rs.)
Export Sales	17,65,26,754	19,55,78,475
Domestic Sales	59,15,86,938	44,56,91,452
Total	<u>76,81,13,692</u>	<u>64,12,69,927</u>

5.0 Related Party Disclosure

Associates	Genesis Exports Ltd Ishita Housing (P) Ltd SKJ Estate (P) Ltd Anuradha Designers (P) Ltd
Key Management Personnel	Sushil Jhunjunwala - Managing Director Ajit Jhunjunwala - Dy. Managing Director
Relatives of Key Management Personnel	Nidhi Jhunjunwala Shruti Kishorepuria

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Associates		Key Management Personnel (Managing Director, Whole time Director, Manager and other managerial personnel)		Relatives of Key Management Personnel	
	2009-10 (Rs.)	2008-09 (Rs.)	2009-10 (Rs.)	2008-09 (Rs.)	2009-10 (Rs.)	2008-09 (Rs.)
Rent paid	22,14,000	22,14,000	-	-	-	-
Loan Received	-	2,40,00,000	3,63,038	99,00,000	-	-
Loan refunded	2,42,77,225	-	-	-	-	-
Interest paid	16,97,425	9,58,684	12,50,511	10,27,699	-	-
Remuneration	-	-	70,53,603	56,95,703	11,02,350	7,17,000
Balance outstanding						
as at the year end:	-	-	-	-	-	-
Receivable	40,00,000	40,00,000	-	-	-	-
Payable	-	2,42,77,225	1,42,79,614	1,40,01,468	-	-

6.0 Lease:

In case of asset taken on lease:

Operating Lease:

Land at Sitargunj was taken on lease during 2006-07 for 90 years. The annual lease rent is required to be paid @ Rs. 5/- per sq. mtr. The total area of land is 40,497.19 sq. mts.

Office premises at Kolkata and Delhi have been obtained on non-cancellable operating lease. The monthly rent is payable @ Rs. 1,84,500 per month. There is an escalation clause of 15% after every three years. There are no restriction imposed on lease arrangements. There is no sub lease.

Operating Lease

	2009-10 (Rs.)	2008-09 (Rs.)
Lease payment for the year	24,16,485	24,16,485
Minimum Lease payment not later than 1 year	24,16,485	24,16,485
Later than one year but not later than Five years	1,13,76,155	1,06,62,140
Later than Five years	1,64,00,835	1,66,03,320

7.0 Earning per Share (EPS)

	2009-10 (Rs.)	2008-09 (Rs.)
Net Profit as per Profit and Loss Account	2,76,73,027	81,40,076
Weighted average number of Equity Shares	1,05,97,532	1,05,97,532
Earnings per Share: (Basic and Diluted) (Rs.)	2.61	0.77
Nominal Value of shares (Rs.)	10	10

8 (a) Deferred Tax Liability (net):

Deferred Tax Liabilities

Timing differences on account of depreciation

	69,166,662	6,80,77,378
--	------------	-------------

Gross Deferred Tax Liabilities

Deferred Tax Assets

Unabsorbed business loss

Minimum Alternate Tax

Employee Benefits

Gross Deferred Tax Assets

Net Deferred Tax Liability

	69,166,662	6,80,77,378
	-	1,47,54,055
	-	37,77,235
	22,09,010	22,09,010
	22,09,010	2,07,40,300
	6,69,57,652	4,73,37,077

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT



8 (b) Provision for taxation for the year includes Rs. 68,65,150 being Minimum Alternate Tax (MAT) in terms of Section 115JB of the Income Tax Act, 1961, which will be available as tax credit for set off in the future years as per section 115JAA of the said act.

The Company is also entitled for tax credit of Rs. 37,77,235 for set off in future years on account of tax provisions under MAT in earlier years.

During the year the Company has recognised entire MAT credit entitlement in Profit & Loss Account and the same has been treated as advance payment of taxation.

9 (a) Contingent Liabilities not provided for

	2009-10 (Rs.)	2008-09 (Rs.)
Letter of credit	11,73,802	-
Disputed Rent	5,52,000	5,04,000
Disputed Customs Duty	-	1,50,000
Disputed Income Tax	70,66,255	67,41,848
Disputed Excise duty	58,59,993	-
Disputed Sales Tax	1,95,09,713	47,14,326

9 (b) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances) is Rs. 1,70,340.

10.0 Micro, Small & Medium Enterprises

There were no dues outstanding to the suppliers as on 31.03.2010 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/information.

11.0 Additional Information pursuant to Part II of the Schedule VI to the Companies Act, 1956

11.1 Directors Remuneration

	2009-10 (Rs.)	2008-09 (Rs.)
Managing/Wholtime Director Salaries and perquisites	65,92,803	52,78,103
Contribution to Provident fund	4,60,800	4,17,600
	70,53,603	56,95,703
Non-Executive Directors		
Sitting Fees	1,24,000	1,04,000
Commission	1,50,000	-
	2,74,000	1,04,000
	73,27,603	57,99,703

As the future liability of Gratuity is provided on actuarial basis for the Company as a whole, the amount pertaining to the Directors are not included above.

11.2 Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to Directors

	2009-10 (Rs.)	2008-09 (Rs.)
Profit before taxation as per Profit and Loss Account	4,47,88,213	1,70,74,340
Add:		
Directors' remuneration	73,27,603	57,99,703
Loss on sale of fixed assets and investments	8,83,111	5,11,992
Provision for doubtful debts	28,39,770	-
Provision for doubtful advances	1,41,600	-
Net profit as per Section 349 of the Companies Act, 1956	5,59,80,297	2,33,86,035

11.3 Remuneration to the Managing Director and Deputy Managing Director has been paid in accordance with Schedule XIII of the Companies Act, 1956. Non-executive Directors Commission @1% of the above Rs. 5,59,803 restricted to maximum amount payable Rs. 1,50,000.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

			2009-10 (Rs.)	2008-09 (Rs.)
11.4 Earnings in foreign currency				
Exports at F.O.B. Value			17,26,62,227	19,34,10,486
Others			401,509	236,061
			17,30,63,736	19,36,46,547
			2009-10 (Rs.)	2008-09 (Rs.)
11.5 Expenditure in foreign currency				
Travelling			27,27,548	10,58,977
Others			22,66,997	24,57,925
			49,94,545	35,16,902
			2009-10 (Rs.)	2008-09 (Rs.)
11.6 Value of imports calculated on CIF basis				
Raw materials			3,55,05,563	5,00,57,478
Components Refractories and spare parts			1,92,86,705	1,01,13,975
Glassware			-	12,07,636
Capital goods			2,31,83,826	10,58,772
			7,79,76,094	6,24,37,861
12.1 Licensed Capacity, Installed Capacity and Actual Production				
Class of Goods	Licensed Capacity	Installed Capacity	Actual Production	
	2009-10	2008-09	2009-10	2008-09
Glass and Glassware	N.A	N.A	8580 MT	8580 MT
Windmill	N.A	N.A	600 Kwh	600 Kwh
			2,00,46,896 Pcs	1,83,09,057 Pcs
			9,21,895 Units	9,28,958 Units
12.2 Sales and Stock				
	Quantity (pcs)		Value (Rs)	
	2009-10	2008-09	2009-10	2008-09
Glass and Glassware				
Opening Stock	13,24,309	8,35,727	3,31,73,323	1,90,83,093
Sales	1,98,01,509	1,78,20,475	76,46,88,600	63,04,81,204
Closing Stock	16,11,504	13,24,309	3,53,67,813	3,31,73,323
Windmill				
Sales	9,21,895	15,00,000	34,27,975	54,78,001
	Quantity (unit)		Value (Rs)	
	2009-10	2008-09	2009-10	2008-09
Glass and Glassware				
Opening Stock	5,371	19,711	2,98,991	26,14,291
Purchases	-	12,516	-	16,10,700
Sales (net of return)	3,802	26,856	(2,883)	53,10,722
Closing Stock	1,569	5,371	3,02,811	2,98,991
12.3 Details of Trading Goods				
Opening Stock	5,371	19,711	2,98,991	26,14,291
Purchases	-	12,516	-	16,10,700
Sales (net of return)	3,802	26,856	(2,883)	53,10,722
Closing Stock	1,569	5,371	3,02,811	2,98,991
12.4 Consumption of Raw Materials and Components				
	Quantity		Value (Rs)	
	2009-10	2008-09	2009-10	2008-09
Transfer Paper - Sheet	4,54,318	5,02,084	2,89,58,316	2,81,80,855
Chemicals - M/T	5,543	7,034	9,02,84,938	10,36,36,356
Total			11,92,43,254	13,18,17,211

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT



12.5 Imported and indigenous raw materials, components and spare parts consumed

	Percentage of total consumption		Value (Rs.)	
	2009-10	2008-09	2009-10	2008-09
Raw Materials				
Imported	40	34	4,76,72,754	4,47,49,435
Indigenous	60	66	7,15,70,500	8,70,67,776
	<u>100</u>	<u>100</u>	<u>11,92,43,254</u>	<u>13,18,17,211</u>
Stores				
Imported	51	36	1,15,45,029	83,12,639
Indigenous	49	64	1,11,49,140	1,48,71,287
	<u>100</u>	<u>100</u>	<u>2,26,94,169</u>	<u>2,31,83,926</u>

13.0 Amount payable to Auditors

	2009-10 (Rs.)	2008-09 (Rs.)
Statutory Audit	1,75,000	1,75,000
Tax Audit	50,000	50,000
Others	82,500	82,500
	<u>3,07,500</u>	<u>3,07,500</u>

14 (a) Particulars of unhedged foreign currency exposure as at 31.03.2010 is as follows:

	Currency in			
	Pound	Euro	USD	INR
Sundry Debtors	19,684	14,985	3,61,529	1,75,33,777
			(5,53,025)	(2,80,16,256)
Sundry Creditors	-	28,750	41,973	36,28,372
			(17,640)	(8,93,293)
Advances from customer	3,317	6,693	80,740	42,55,383

14 (b) Details of forward contracts outstanding at the year end are as follows:

Currency	Number of contracts	Amount of foreign currency	Purpose
USD	5 (1)	55,12,657.23 (20,00,000)	For loan repayment
Euro	1	58,246.48	For loan repayment

15.0 In accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" the following provisions are in the books of accounts as at March 31st, 2010.

Description	As at 01.04.2009	Additions during the year	Utilised/Reversed during the year	As at 31.03.2010
Provision for Gratuity	92,25,651	17,87,070	9,18,355	1,00,94,366
	(7,947,091)	(21,78,576)	(9,00,016)	(92,25,651)
Provision for Excise Duty	13,96,880	24,65,141	13,96,880	24,65,141
	(2,985,929)	(13,96,880)	(29,85,929)	(13,96,880)

16.0 Share Issue Expenses are being amortised over a period of five years starting from 2007-08.

17.0 Previous year Comparative

Previous year's figures have been regrouped where necessary to conform to current year's classification.

For & on behalf of Board of Directors

For DOSHI, CHATTERJEE, BAGRI & CO.
Chartered Accountants
Firm Registration No. 325197E

On behalf of the Board

R. K. Bagri
Partner
Membership No: 51956
Kolkata
Date : May 20, 2010

Alok Pandey
**G. M. Finance
& Secretary**

A. C. Chakrabortti - **Chairman**
Sushil Jhunjhunwala - **Managing Director**
Ajit Jhunjhunwala - **Dy. Managing Director**

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

LA OPALA RG LIMITED

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI

TO THE COMPANIES ACT, 1956

A. Registration Details

Registration No.	42512
State Code	21
Balance Sheet Date	31.03.2010

(Rs. in Thousand)

B. Capital raised during the year

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

C. Position of Mobilisation and Deployment of Funds

Total Liabilities	837,520
Total Assets	837,520
Source of Funds	
Paid-up Capital	105,975
Reserves and Surplus	2,74,399
Secured Loans	3,74,582
Unsecured Loans	15,606
Deferred Tax Liability (Net)	66,958

Total	837,520
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Application of Funds

Net Fixed Assets	5,30,176
Investments	753
Net Current Assets	3,06,401
Miscellaneous Expenditure	190

Total	837,520
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D. Performance of the Company

Turnover/Income	779,608
Total Expenditure	734,820
Profit/(Loss) before tax	44,788
Profit/(Loss) after tax	27,673
Earnings per share (Rs.)	2.61
Dividend Rate	7.50%

E. Generic names of three principal products/services of Company (as per monetary terms)

Item Code No.	Product
70134900, 70133700	Opalware
70134100, 70133300, 70132200	Crystal

LA OPALA RG LIMITED

Registered Office "Chitrakoot", 10th Floor, 230A A. J. C. Bose Road, Kolkata 700 020

PROXY

I/We.....of.....

being a member/members of the above named Company, hereby appoint.....

.....of.....

or failing him.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the **TWENTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Saturday, August 28 at 12 noon at Gyan Manch, 11 Pretoria Street, Kolkata 700 071** and at any adjournment thereof.

Signed.....

Date.....

Revenue
Stamp
Re. 1

Regd. Folio No.

NOTE : Proxies must reach the Company's Registered Office not less than 48 hours before the Meeting.

----- ✂ -----
PLEASE CUT HERE AND BRING THE FOLLOWING ATTENDANCE SLIP AT THE MEETING

LA OPALA RG LIMITED

Registered Office "Chitrakoot", 10th Floor, 230A A. J. C. Bose Road, Kolkata 700 020

ADMISSION SLIP

23rd Annual General Meeting

Date: August 28, 2010

Place: Gyan Manch, 11 Pretoria Street, Kolkata 700 071

Time: 12 noon

Only members or their proxies will be allowed to attend the meeting.

Signature of the member / proxy present.

Folio No.....Shares Held.....

Members are requested to bring their copy of the annual report along with them at the annual general meeting.

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