

# LA OPALA®

A World of Innovation





LA OPALA®

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# I n n o v a t i n g   s i n c e   1 9 8 7

**E**very new adventure needs a leader capable of pioneering new ideas, bringing forth new innovations and creating history. Such is the story of La Opala.

Nearly two and half decades ago, the Jhunjhunwala family began its relationship with the glass manufacturing industry, unaware of what the future held.

In 1986, the then young Mr Sushil Jhunjhunwala, curious for things radically different and new, was enamoured by 'opal glass' on a business trip abroad. Being a visionary with an eye for innovation, the idea of opal tableware, travelled back with him, to India.

## La Opala

La Opala became the first Indian company to bring opalware to India. Thanks to the manufacturing plant set up at Madhupur, creative innovation started taking shape. Their success pushed them to take their journey one step further. In 1991, La Opala opalware went overseas and the door to many new dreams opened up.

## Solitaire

True to its elegant array of designs, La Opala also introduced India's first handcrafted 24% lead crystalware range called Solitaire, in 1996. Each piece painstakingly mouth-blow and hand-cut, is shaped with utmost care, producing the most stunningly beautiful crystalware.



B o r n   t o   i n n o v a t e



Aspirations grow with time. Keeping in tune with the growing taste, La Opala continued to innovate with new dinnerware ideas. More dreams turned real in 2008, with the birth of India's first fashion dinnerware range, Diva. With the arrival of this whiter, lighter, chip resistant, tempered, bone ash free dinnerware range, the face of Indian tableware changed forever.

### **Diva**

A premium tableware collection, it seamlessly marries international sophistication with everyday practicalities.

Diva's wide variety of designs is frequently upgraded, and their ultra-modern plant set up at Sitarganj, Uttarakhand, in 2008, produces tableware that matches the world's best.



### The Classique Collection

The Classique Collection, comprises an elegant range of tableware that stands out for its striking milky white glaze and consumer-friendly properties. Its exquisitely chic international designs, make owning this collection, the ultimate reason of pride.

### The Ivory Collection

As timeless as tradition itself, ivory has adorned the walls and plates of kings and nawabs alike. Its soft milky glaze, its smooth texture has been adored through the centuries. Diva brings you a collection as refined as ivory. The secret of the classiest dinner parties is now in your hand.

### The Manish Malhotra Designer Collection

It isn't every day that a leading Indian fashion designer feels the urge to create dinnerware designs. Inspired by our designs, Manish Malhotra, designer par excellence, dedicated his designs to all that he is inspired by. Adding to Diva a one-of-a-kind, haute couture collection meant to be collectibles for connoisseurs of high taste and the uber-chic.

LA OPALA®



## Corporate Information



### Board of Directors

Chairman	Mr A C Chakrabortti
Vice Chairman & Managing Director	Mr Sushil Jhunjunwala
Joint Managing Director	Mr Ajit Jhunjunwala
Executive Director	Ms Nidhi Jhunjunwala
Directors	Mr G Narayana Mr Shakir Ali Mr Arun Churiwal Mr Rajiv Gujral
Vice President Finance & Secretary	Mr Alok Pandey
Auditors	Doshi, Chatterjee, Bagri & Co
Bankers	State Bank of India
Registrar & Share Transfer Agent	MCS Limited 77/2A, Hazra Road, Kolkata 700 029 Phone +91 33 2454 1892/93, 4072 4051-53 Fax +91 33 2454 1961/4072 4050 Email mcskol@rediffmail.com
Registered Office	'Chitrakoot', 10th Floor 230A, AJC Bose Road, Kolkata 700 020, India Phone +91 33 3053 6656/57/58 Fax +91 33 3053 6659 Email info@laopala.in Website www.laopala.in
Works	Post Madhupur, District Deoghar Jharkhand  B-108, ELDECO SIDCUL Industrial Park Sitarganj, Udham Singh Nagar Uttarakhand 262 405



## Notice



NOTICE is hereby given that the 26th Annual General Meeting of the Company will be held at 'Gyan Manch', 11, Pretoria Street, Kolkata 700 071 on Tuesday the 13th August, 2013 at 12.30 PM. to transact the following business:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report and Auditors' Report and audited statement of accounts for the year ended 31st March, 2013;
2. To declare dividend for the year ended 31st March, 2013;
3. To appoint a Director in place of Sri A C Chakrabortti who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri Arun Churiwal who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

### AS SPECIAL BUSINESS

#### 6. As Special Resolution

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

"RESOLVED THAT pursuant to Section 310 of Companies Act, 1956 the consent of the Company be and is hereby accorded to the increase in remuneration of Sri Sushil Jhunjunwala on being promoted from Managing Director to Vice Chairman & Managing Director from Rs 3,50,000 per month (within the scale of Rs 2,00,000 to Rs 4,00,000) to Rs 4,00,000 per month (within the scale of Rs 4,00,000 to Rs 7,00,000) by way of salary with

effect from 1st February 2013, other terms & conditions including commission, perquisites remaining unchanged."

#### 7. As Special Resolution

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

"RESOLVED THAT pursuant to Section 310 of Companies Act, 1956 the consent of the Company be and is hereby accorded to the increase in remuneration of Sri Ajit Jhunjunwala on being promoted from Deputy Managing Director to Joint Managing Director from Rs 3,00,000 per month (within the scale of Rs 3,00,000 to Rs 6,00,000) to Rs 3,50,000 per month (within the scale of Rs 3,50,000 to Rs 6,50,000) by way of salary with effect from 1st February 2013, other terms & conditions including commission, perquisites remaining unchanged."

#### 8. As Special Resolution

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

"RESOLVED THAT pursuant to Section 310 of Companies Act, 1956 the consent of the Company be and is hereby accorded to the increase in remuneration of Smt Nidhi Jhunjunwala from Rs 1,12,000 per month (within the scale of Rs 75,000 to Rs 1,50,000) to Rs 1,50,000 per month (within the scale of Rs 1,00,000 to Rs 2,00,000) by way of salary with effect from 1st February 2013, other terms & conditions including commission, perquisites remaining unchanged."

By Order of the Board

Place: Kolkata  
Date: 11th May, 2013

**Alok Pandey**  
V P Finance & Secretary





## Notice



### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be lodged at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 regarding the Special Business contained in the notice is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 3rd August, 2013 to Tuesday, the 13th August, 2013 (both days inclusive).
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Shareholders requiring any information regarding accounts are requested to write to the company in advance so that the relevant information can be furnished by the Company.
7. Members of the Company are requested to intimate immediately to the Registered Office of the Company about the change of address, if any.
8. Members/ Proxies are requested to bring the Attendance Slip duly filled in and hand it over at the entrance of the Meeting hall.
9. Reappointment of Directors

Mr A C Chakrabortti aged about 82 years was appointed as the Chairman and Non-Executive Director on 29th October, 1994. He is the fellow member of the Institute of Chartered Accountants in England & Wales and India. He is formerly, Senior Partner of S R Batliboi & Co., Chartered Accountants, Chairman of Ernst & Young, President of Institute of Chartered Accountants of India and a Governing Committee Member of International Federation of Accountants. He is also Chairman of Peerless Funds Management Co. Ltd., Grindwell Norton Ltd. and Administrator in M.P. Birla Group of Companies. He is also Director in Peerless General Finance & Investment Company Ltd., Jagsonpal Pharmaceuticals Ltd, Rasoi Industries Ltd., Texmaco Rail & Engineering Ltd., Chandras' Chemicals Enterprise Pvt. Ltd., Denso India Ltd., Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd. He is also the Chairman of Audit Committee of Peerless General Finance & Investment Co. Ltd., Grindwell Norton Ltd., Denso India Ltd., Texmaco Rail & Engineering Ltd, and a Member of Audit Committee of Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd. and Jagsonpal Pharmaceuticals Ltd. He is also Member of Gopal Chakrabortti Charitable Trust and the Governing Committee Member of Bawa Lalvani Public School, Kapurthala. As on 31st March, 2013 he was holding 2000 equity shares of the Company.

Mr Arun Churiwal aged about 63 years was appointed as the Non Executive Director of the Board with effect from 26th June 2004. He has over 40 years of experience in the segment of Textiles and Agro products. He is a Managing Committee Member of Merchants' Chamber of Commerce, Kolkata. He is presently the Chairman cum Managing Director of M/s BSL Ltd., Managing Director of M/s RSWM Ltd., and Director in LNJ Financial Services Ltd., Churiwal Properties & Investments Pvt Ltd., and PRC Niyojan Pvt Ltd. He is also the Member of Shareholders'/Investors' Grievances Committee of BSL Ltd. As on 31st March, 2013 he was holding 1340 equity shares of the Company.



## Notice



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

#### Item No. (6)

In the 22nd Annual General Meeting held on 29th August 2009 shareholders approved the reappointment of Sri Sushil Jhunjunwala as Managing Director for a period of 5(five) years with effect from 1st October 2009 on a basic pay of Rs 2,00,000 per month within the scale of Rs 2,00,000 to Rs 4,00,000. The Board of Directors in their meeting held on 4th February 2013, on the recommendation of the managerial remuneration committee and subject to the approval of the Members, unanimously increased the remuneration of Sri Sushil Jhunjunwala from Rs 3,50,000 per month (within the scale of Rs 2,00,000 to Rs 4,00,000) to Rs 4,00,000 per month (within the scale of Rs 4,00,000 to Rs 7,00,000) by way of salary with effect from 1st February 2013 and changed his designation to Vice Chairman & Managing Director.

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

#### Item No. (7)

In the 25th Annual General Meeting held on 10th August 2012 shareholders approved the reappointment of Sri Ajit Jhunjunwala as Deputy Managing Director for a period of 5(Five) years with effect from 1st October 2012 on a basic pay of Rs 3,00,000 per month within the scale of Rs 3,00,000 to Rs 6,00,000. The Board of Directors in their meeting held on 4th February 2013, on the recommendation of the managerial remuneration committee and subject to the approval of the Members, unanimously increased the remuneration of Sri Ajit Jhunjunwala from Rs 3,00,000 per month (within the scale of Rs 3,00,000 to Rs 6,00,000) to Rs 3,50,000 per month (within the scale of Rs 3,50,000 to Rs 6,50,000) by way of salary with effect from 1st February 2013 and changed his designation to Joint Managing Director.

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

#### Item No. (8)

In the 23rd Annual General Meeting held on 28th August 2010 shareholders approved the appointment of Smt Nidhi Jhunjunwala as Whole-time Director for a period of 5 (five) years with effect from 20th May 2010 on a basic pay of Rs 75,000 per month within the scale of Rs 75,000 to Rs 1,50,000. The Board of Directors in their meeting held on 4th February 2013, on the recommendation of the managerial remuneration committee and subject to the approval of the Members, unanimously increased the remuneration of Smt Nidhi Jhunjunwala from Rs 75,000 per month (within the scale of Rs 75,000 to Rs 1,50,000) to Rs 1,00,000 per month (within the scale of Rs 1,00,000 to Rs 2,00,000) by way of salary with effect from 1st February 2013.

Excepting Mr Sushil Jhunjunwala, Mr Ajit Jhunjunwala and Mrs Nidhi Jhunjunwala no other director is interested in this resolution

By Order of the Board

Place: Kolkata  
Date: 11th May, 2013

**Alok Pandey**  
V. P. Finance & Secretary



## Directors' Report



### To the Members

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

### Performance Review

Your directors are pleased to inform you that during the year under review, substantial improvement were achieved both in respect of turnover and profitability. The revenue from operation increased by 33.61% from Rs 119.95 crores to Rs 160.28 crores, profit before tax by 77.66% from Rs 18.27 crores to Rs 32.46 crores

and profit after tax by 81.53% from Rs 12.60 crores to 22.88 crores.

The overall good performance during the year has been possible due to combination of various factors, such as, higher utilisation of capacity, which has been built during last two years, quality improvement, aggressive marketing policy, through print and electronic media which helped in penetration into new market areas, duly complimented by change in design, and introduction of Ivory & Manish Malhotra Collection. It is hoped that the momentum gained during the previous year in various directions will continue as an ongoing process for future development and progress. The summarised results of the current years' performance are given hereunder:

### Sl. No. Particulars

### ₹ in lacs Year ended 31st March '13

### ₹ in lacs Year ended 31st March '12

1	Net sales/ income from operations	16027.63	11995.89
2	Other income	102.46	17.65
3	Total expenses before interest and depreciation	11908.75	9320.01
4	Finance cost	419.02	407.13
5	Gross profit after interest but before depreciation	3802.32	2286.40
6	Depreciation	555.87	459.08
7	Profit before taxation	3246.45	1827.32
8	Tax expenses	958.66	567.05
9	Net profit	2287.79	1260.27
10	Surplus available	2287.79	1260.27
11	Dividend	370.91	211.95
12	Tax on Dividend	63.04	34.38
13	Transferred to General Reserve	400.00	300.00
14	Balance as per last year	2836.91	1533.16
15	Balance carried to balance sheet	4290.75	2836.91



# Directors' Report



## Dividend

Your Directors are pleased to recommend, for consideration of shareholders at the 26th Annual General Meeting, payment of dividend of Rs 3.50 per share on equity shares of the face value of Rs 10 each for the year ended 31st March 2013.

## 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 the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for that period;
- proper and sufficient care has been taken 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.
- The annual accounts have been prepared on going concern basis.

## Auditors

M/s Doshi Chatterjee Bagri & Co., retire and are eligible for reappointment. As per proviso to Section 224(1) of the Companies Act, 1956, a written certificate has been obtained by the Company from the Auditors stating that if they are reappointed Auditors of the Company, such re-appointment would be within the limits specified in Section 224(1B) of the Companies Act, 1956.

## Comments on Auditors' Report

The Report of the Auditors read with the Notes on Accounts is self-explanatory and needs no further clarification.

## Directors

Sri A C Chakrabortti and Sri Arun Churiwal retire by rotation and, being eligible, offer themselves for reappointment.

## 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 information of employees getting salary in excess of the limits as prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, who were employed throughout or for part of the financial year under review is given as Annexure 'B' forming part of this report.

## Acknowledgement

The Directors express their grateful appreciation of the assistance and cooperation extended by Banks, various Governments 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 of the devoted services of the Executives, Staff and Workers of the Company for another year of successful operation.

By Order of the Board

Place: Kolkata

Date: 11th May, 2013

**A C Chakrabortti**  
Chairman



# Annexure to Directors' Report

## Annexure 'A' to Directors' Report for the year ended March 31, 2013

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.

<b>A Conservation of Energy</b>		<b>2012-13</b>	<b>2011-12</b>
<b>1 Electricity</b>			
(a) Purchased			
Unit: KWH	16830552	12516596	
Total amount (Rs Lakhs)	875.50	600.12	
Rate/Unit (Rs)	5.20	4.79	
(b) Own Generation			
Through Generator			
Unit: KWH	727501	2925111	
Unit: Litre of oil	3.20	3.41	
Cost/Unit (Rs)	12.30	10.56	
<b>2 Furnace Oil</b>			
Quantity			
Unit: Litre	2007954	1855213	
Total cost (Rs Lakhs)	832.46	716.04	
Cost/Unit (Rs)	41.56	38.60	
<b>3 Others</b>			
(a) HSD			
Quantity			
Unit: Litre	657088	515218	
Total cost (Rs Lakhs)	271.94	189.96	
Cost/Unit (Rs)	41.39	36.87	
(b) GAS			
Quantity			
Unit: Kgs	499905	222937	
Total cost (Rs Lakhs)	336.16	126.43	
Cost/Unit (Rs)	6724	56.71	
(c) COAL			
Quantity			
Unit: Kgs	208654	222399	
Total cost (Rs Lakhs)	19.60	17.50	
Cost/Unit (Rs)	9.39	7.87	
<b>4 Consumption per Unit of Production</b>			
Unit Pcs	36207452	29336791	
Electricity: KWH	0.48	0.53	
Furnace Oil: Litre	0.06	0.06	
HSD: Litre	0.02	0.02	
GAS: Kgs	0.01	0.01	
COAL: Kg	0.01	0.01	



# Annexure to Directors' Report



## B Technology Absorption

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

## C Foreign Exchange Earnings and Outgo

Particulars with regard to Foreign Exchange Earnings and Outgo appear in Note 39 and 40 of Financial Statements.

On behalf of the Board

Place: Kolkata

Date: 11th May, 2013

**A C Chakrabortti**

Chairman

## Annexure 'B' to Directors' Report for the year ended March 31, 2013

Statement of Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956

### (A) Persons employed throughout the financial year

Name of Employees	Designation	Remuneration	Qualification	Experience (Years)	Commencement of Employment	Age (Years)	Last Employed Organisation	Post Held
Sushil Jhunjhunwala	Vice Chairman & Managing Director	14,170,367	B. Com	45	01.10.1994	63	Radha Glass & Industries Ltd.	Director
Ajit Jhunjhunwala	Jt Managing Director	13,033,367	B. Com	24	01.10.1997	42		

Note 1. All appointments are contractual.

On behalf of the Board

Place: Kolkata

Date: 11th May, 2013

**A C Chakrabortti**

Chairman



# Annexure to Directors' Report



## Corporate Governance Report (Pursuant to clause 49 of the Listing Agreement)

### 1. Company's Philosophy

The Company firmly believes in and has proactively adopted the adequate policies of Corporate Governance to ensure transparency, professionalism and accountability in its dealings with shareholders, customers, creditors, employees and with every person who comes in contact with the company.

### 2. Board of Directors

The Board of Directors of the company comprises of the Chairman who is an independent director, three Executive Directors and four Non Executive Directors who are independent. The business of the Company is managed by the Vice Chairman & Managing Director and two whole-time Executive Directors under the guidance, supervision and control of the Board of Directors.

During the financial year under review five Board Meetings were held on following dates: May 21, 2012, August 10, 2012, November 06, 2012, February 04, 2013 and March 29, 2013.

#### Constitution of Board of Directors and related information

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship excluding Private Companies as on March 31, 2013	No. of membership/ Chairmanship in other Board/ Committee excluding Private Companies as on March 31, 2013
Sri A C Chakrabortti	Chairman Non-Executive and independent	5	Yes	6	4 (including 3 Chairmanship)
Sri Sushil Jhunjunwala	Vice Chairman and Managing Director	5	Yes	3	2 (including 1 Chairmanship)
Sri Ajit Jhunjunwala	Joint Managing Director	5	Yes	1	Nil
Smt Nidhi Jhunjunwala	Executive Director	5	Yes	1	Nil
Sri Arun Churiwal	Non-Executive and Independent	4	Yes	3	1
Sri G Narayana	Non-Executive and Independent	5	Yes	2	Nil
Sri Shakir Ali	Non-Executive and Independent	5	Yes	1	Nil
Sri Rajiv Gujral	Non-Executive and Independent	4	Yes	2	Nil

#### Non-executive Directors are holding equity shares in the company:

Sri A C Chakrabortti	2000 Equity shares
Sri Arun Churiwal	1340 Equity shares

There is no pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company except for payment of commission and sitting fees.



## Annexure to Directors' Report



### 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 21, 2012, August 10, 2012, November 06, 2012, February 04, 2013. The constitution of Audit Committee also meets the requirements of Section 292A of the Companies Act, 1956 and guidelines set out in listing agreement.

#### Constitution of Audit Committee and related information

Name of the Directors	Category	No. of meetings attended during the financial year ended 31st March 2013
Sri G Narayana	Chairman Non-Executive and Independent	4
Sri A C Chakrabortti	Non-Executive and Independent	4
Sri Shakir Ali	Non-Executive and Independent	4

The role of Audit Committee and terms of reference specified by the Board to the Audit Committee are wide enough to cover the mandatory items, as required, under clause 49 of the Listing Agreement:

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

The Company Secretary acts as secretary to the committee.

### 4. Remuneration Committee

The Remuneration Committee of the Board of Directors has been constituted in accordance with the prescribed guidelines. The committee comprises of three Directors, all of whom are Non Executive and Independent. The Remuneration Committee comprises of the following:

- Sri A C Chakrabortti
- Sri Arun Churiwal, Chairman
- Sri G Narayana

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

The committee met twice during 2012-13 on 21st May, 2012 and 4th February, 2013 and the meetings were attended by all members.





## Annexure to Directors' Report

### Executive Directors' Remuneration details for the financial year ended March 31, 2013

Name of the Directors	Salary and perquisites	Commission	Total
Sri Sushil Jhunjhunwala, Vice Chairman and Managing Director	76,80,000	64,90,367	14,170,367
Sri Ajit Jhunjhunwala, Joint Managing Director	65,43,000	64,90,367	13,033,367
Smt Nidhi Jhunjhunwala, Executive Director	23,29,375	32,45,183	5,574,558

### Non-executive Directors' Remuneration details for the financial year ended March 31, 2013

Name of the Directors	Sitting Fees	Commission	Total
Sri A C Chakrabortti	75,000	2,00,000	2,75,000
Sri G Narayana	75,000	2,00,000	2,75,000
Sri Shakir Ali	70,000	2,00,000	2,70,000
Sri Arun Churiwal	45,000	2,00,000	2,45,000
Sri Rajiv Gujral	40,000	2,00,000	2,40,000

Salary and perquisites include Company's contribution to Provident Fund. The Company does not have any stock option scheme.

### 5. Investors' Grievance Committee

Chairman	:	Sri Shakir Ali
Members	:	Sri Sushil Jhunjhunwala Sri Ajit Jhunjhunwala Sri G Narayana
Compliance Officer	:	Sri Alok Pandey
No. of complaints received by Company's Registrar & Share Transfer Agents M/s MCS Ltd during the financial year ended March 31, 2013	:	4 (four)
No. of complaints resolved to the satisfaction of shareholders during the financial year ended March 31, 2013.	:	4 (four)
No. of pending share transfers as on March 31, 2013	:	Nil



# Annexure to Directors' Report



## 6. Details of Directors seeking reappointment in the forthcoming Annual General Meeting

	<b>A C Chakrabortti</b>	<b>Arun Churiwal</b>
Date of birth	02/10/1930	15/05/1950
Appointed on	29/10/1994	26/06/2004
Qualification	FCA	Hons Graduate in Political Science
Expertise	In the field of Audit and Management Consultancy	In the field of General Management
Directorship held in other public companies	6	3
Membership/ Chairmanship of committee in other public companies	4	1

## 7. General Body Meeting

<b>AGM for the financial year</b>	<b>Location of holding AGM</b>	<b>Date and time of AGM</b>
2011-2012	'Gyan Manch', 11 Pretoria Street, Kolkata 700 071	August 10, 2012, 11.30 am
2010-2011	'Kala Kunj', 48, Shakespeare Sarani, Kolkata 700 017	July 30, 2011, 11.30 am
2009-2010	'Gyan Manch', 11 Pretoria Street, Kolkata 700 071	August 28, 2010, 12.00 noon

### 7(a) Special Resolution passed in the last three years

- (a) Special Resolution passed at the 23rd Annual General Meeting held on August 28, 2010
- (i) Approval of appointment of Mrs Nidhi Jhunjunwala as a Whole-time Director of the Company with effect from May 20, 2010.
  - (ii) Approval of appointment of Mr Himanshu Jhunjunwala, as a Manager – New Business Development, a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company with effect from April 01, 2010.
- (b) No Special Resolution was passed at the 24th Annual General Meeting held on July 30, 2011.
- (c) Special Resolution passed at the 25th Annual General Meeting held on August 10, 2012.
- (i) Reappointment of Mr Ajit Jhunjunwala as the Dy. Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2012 with modification of remuneration.
  - (ii) Approval of enhanced/ changed remuneration of Mr Himanshu Jhunjunwala, Manager – New Business Development of the Company, a relative of

Mr Sushil Jhunjunwala, Managing Director of the Company with effect from July 01, 2011

- (iii) Approval of enhanced/ changed remuneration of Mrs Shruti Kishorepuria, Executive – Product Development of the Company, a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company with effect from July 01, 2011

### 7(b) Postal Ballot

During the year 2012-13 no resolution was passed through Postal Ballot by your Company. No special resolution is proposed to be conducted through postal ballot in the current year.

## 8. 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.

### (b) Compliances by the Company

There has been no instance of non-compliance by



# Annexure to Directors' Report

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) 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.

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

## 12. General Shareholders' Information

**AGM date, time and venue** : 13th August, 2013, at 12.30 PM at Gyan Manch, 11, Pretoria Street, Kolkata 700 071.

<b>Financial Calender 2013-2014</b>	:	1st Qtr. Result	Second week of August'13
		2nd Qtr. Result	First week of Nov.'13
		3rd Qtr. Result	First week of Feb'14
		Audited Accounts	Fourth week of May'14

**Date of Book Closure** : 3rd August, 2013 to 13th August, 2013 (both days inclusive)

**Date of dividend payment** : On or after 14th August 2013.

**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

## 9. Means of Communication

The Company has published its quarterly results in all edition of The Business Standard (English) and Aajkal (vernacular) in Kolkata. The results are displayed at the website of the company i.e. [www.laopala.in](http://www.laopala.in).

Management's Discussion & Analysis forms part of this Annual Report which is also being posted to all the shareholders of the Company.

## 10. Code of Conduct

All the members of the Board and senior management personnel have affirmed compliance with the Company's Code of Conduct which has been posted on the website of the company [www.laopala.in](http://www.laopala.in). A declaration of Vice Chairman & Managing Director (CEO) of the company is attached to this Annual Report.

## 11. CEO/ CFO Certification

The Vice Chairman & 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 31st March, 2013 and the same is enclosed with this report.



## Annexure to Directors' Report



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

Month	Share Price		Sensex	
	High	Low	High	Low
April 2012	117.05	109.30	17664.10	17010.16
May 2012	113.70	94.15	17432.33	15809.71
June 2012	108.95	102.65	17448.48	15748.98
July 2012	112.90	108.00	17631.19	16598.48
August 2012	130.90	106.10	17972.54	17026.97
September 2012	143.00	123.00	18869.94	17250.80
October 2012	154.60	142.85	19137.29	18393.42
November 2012	190.20	156.45	19372.70	18255.69
December 2012	273.15	206.75	19612.18	19149.03
January 2013	293.85	232.55	20203.66	19508.93
February 2013	318.15	235.30	19966.69	18793.97
March 2013	430.80	248.40	19754.66	18568.43

### Registrar & Share Transfer Agents:

MCS Limited  
77/2A, Hazra Road, Kolkata 700 029  
Phone +91 33 2454 1892/ 93  
Fax +91 33 2474 7674  
Email mcskol@rediffmail.com

### Share Transfer System:

Registrar and Share Transfer Agents attends 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, 2013

No. of equity shares held	Shareholder(s) Nos.	Shareholder(s) %	Shareholding(s) Nos.	Shareholding(s) %
1 to 500	5547	91.2036	479536	4.5250
501 to 1000	225	3.6994	184808	1.7439
1001 to 2000	161	2.6472	250346	2.3623
2001 to 3000	45	0.7399	117012	1.1041
3001 to 4000	17	0.2795	60632	0.5721
4001 to 5000	15	0.2466	71887	0.6783
5001 to 10000	27	0.4439	193713	1.8279
10001 to 50000	29	0.4768	565560	5.3367
50001 to 100000	5	0.0822	337216	3.1820
100001 and above	11	0.1809	8336822	78.6676
	6082	100.0000	10597532	100.0000



## Annexure to Directors' Report

### Shareholding Pattern as on March 31, 2013

Category	Number of Equity Shares held	% of Equity Shares held
<b>A. Promoters Holding</b>		
1. Promoters		
Indian Promoters	7217500	68.1054
Foreign Promoters	Nil	Nil
2. Persons acting in concert	3540	0.0334
<b>Sub-total</b>	<b>7221040</b>	<b>68.1388</b>
<b>B. Non-Promoters Holding</b>		
3. Institutional Investors	Nil	Nil
a. Mutual Funds and UTI	199690	1.8843
b. Banks, Financial Institution, Insurance Companies (Central/ State Govt. Institution/ Non Govt. Institution)	100	0.0009
c. FIIS	335	0.0032
<b>Sub-total</b>	<b>200125</b>	<b>1.8884</b>
<b>4. Others</b>		
a. Private Corporate Bodies	984263	9.2876
b. Indian Public	1903905	17.9655
c. NRIs/ OCBs/ Foreign Companies	287199	2.7100
d. Any other (specify) Trust & Foundations	1000	0.0094
<b>Sub-total</b>	<b>3376492</b>	<b>31.8612</b>
<b>Grand Total</b>	<b>10597532</b>	<b>100.00</b>

**Dematerialisation of Shares** : 10406746 (98.20%) of the shares issued by the Company have been dematerialised upto 31st March, 2013.

**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 815353, Dist. Deoghar, Jharkhand

2. B-108, ELDECO SIDCUL Industrial Park, Sitarganj,  
Udham Singh Nagar, Uttarakhand 262 405



## Annexure to Directors' Report



Address for correspondence

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

**MCS Limited**

77/2A, Hazra Road, Kolkata 700 029

Phone +91 33 2454 1892/ 93

Fax +91 33 2474 7674

Email mcskol@rediffmail.com

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, AJC Bose Road

Kolkata 700 020

Phone +91 33 3053 6656/ 57/ 58

Fax +91 33 3053 6659

Email ho\_cal@laopala.in

By Order of the Board

Place: Kolkata

Date: 11th May, 2013

**A C Chakraborti**

Chairman

### Declaration of Vice Chairman & Managing Director & CEO

I, Sushil Jhunjunwala, Vice Chairman & Managing Director (CEO), of La Opala RG Limited, 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**

Vice Chairman & Managing Director (CEO)

La Opala RG Limited

Date: 11th May, 2013



## Annexure to Directors' Report



### Certificate Pursuant to Clause 49 (V) of the Listing Agreement

- (a) We have reviewed financial statements and the cash flow statement for the year 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 internal control systems of the company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which they are aware and we take steps or propose to take to rectify these deficiencies.

**Alok Pandey**  
V P Finance & Secretary (CFO)  
La Opala RG Limited

**Sushil Jhunjunwala**  
Vice Chairman & Managing Director (CEO)  
La Opala RG Limited

Date: 11th May, 2013

### 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, 2013 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.

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

Place: Kolkata  
Date: 11th May, 2013



# Management Discussion and Analysis



## General Review and Business Environment

The year 2012-13 could be termed as a crisis year for the Indian Economy due to various factors. A weak monsoon, high rate of inflation, tight monetary policy, fiscal deficit of high order and also unfavorable balance of payment contributed to slowest economy growth of India in last decade. The rising prices, lack of sufficient employment opportunity also affected the consumer industry leading to decrease in spending and reduction in demand. The problems were further accentuated by Euro-zone crisis, fluctuation in international oil price and also overall economic uncertainties prevailing in large number of countries.

## Opportunities and Threats

Despite the above uncertainty and challenges, it was indeed creditable that the Company achieved higher growth rate in operational result and profit for 2012-13, the reasons for which have already been outlined in early part of Directors' report.

Fortunately, the Government was fully aware of the adverse economic situation and initiated various steps so as to change the scenario for the better. It is hoped that the economy will see higher rate of growth in coming years and the Company will attempt to take advantage of the favourable wind of change. In order to match the expectation, the Company is planning to replace fuel fire furnace by electric furnace at its Madhupur unit in financial year 2013-14. The Company is also aware of severe competition not only from international players, but also on the domestic front, both from organised and unorganised sectors. These will have to be dealt with better strategy followed by an implementation plan to ensure that the Company's market share continues to grow at the projected rate.

## Outlook

In the financial year 2013-14, the Company plans to continue with the momentum which has been achieved in the previous year, despite threats and challenges. To achieve this objective, actions have already been initiated to explore untouched market, strengthen distribution network, improve logistics,

introduce new product design and upgrade quality, keeping the pricing policy at levels affordable to its customers. Barring unforeseen circumstances, the future of the Company appears to be encouraging.

## Risks and Concerns

The increase in global competition, availability of foreign product at low cost, volatile oil prices, and unhealthy competition from unorganised sector are main factors of concern for the Company.

## Internal Control System and their Adequacy

The Company has adequate internal control system 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, income from operation amounted to Rs 1602763 lakhs compared to Rs 11995.89 lakhs in the previous year. Profit before tax amounted to Rs 3246.45 lakhs as compared to Rs 182732 lakhs in previous year.

## 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

The Company has always believed in growth with a human face, and to fulfill its social obligation there is always a continued endeavor to live up to the objective of socio-economic





# Management Discussion and Analysis



development to reduce the pain and distress in society. To fulfill this objective, La Opala ensures that the economically and educationally deprived people around the manufacturing facilities at Madhupur, in Jharkhand and Sitargunj in Uttarakhand, are benefitted by the Company's growth by providing active support to educational institutions and the students from deprived sections, at primary and secondary level. We also actively ensure timely and better medical attention, by supporting and sponsoring medical camps for the needy of the area, particularly to senior citizens and children. We have also been supporting renovations of religious shrines of all faith in the area and educational institutes.

## 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.

By Order of the Board

Place: Kolkata

Date: 11th May, 2013

**A C Chakrabortti**

Chairman



# Auditors' Report



To the members of LA OPALA RG LIMITED

## Report on the Financial Statement

We have audited the accompanying financial statements of LA OPALA RG LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- (b) in the case of the Statement of Profit and Loss, 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the order') 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. As required by section 227(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply



# Auditors' Report



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, 2013, and taken on record

by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

Place: Kolkata  
Date: 11th May, 2013

**Annexure referred to in paragraph (1) of our report of even date on "Other Legal and Regulatory Requirements" to the members of LA OPALA RG LIMITED on the accounts as at and for the year ended March 31, 2013**

- |   |   |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.</p> <p>(c) No substantial part of fixed assets has been disposed off during the year.</p>  | <p>(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.</p> <p>(b) According to the information and explanations given to us, except for unsecured loans from 2 directors brought forward from previous year and repaid during the year, the company has not taken any other 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 107.04 lakhs and the year end balance was Rs Nil.</p> <p>(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.</p> <p>(d) The abovementioned loans alongwith interest have been repaid during the year.</p> |
| <p>(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.</p> <p>(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.</p> <p>(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.</p> | <p>(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</p>   |



# Auditors' Report



- 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 5,00,000 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the said records have been maintained. We, however, have not made any detailed examination of such records with the view to determine whether they are accurate or complete.
- (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	11,21,145 12,03,878	2003-04 2005-06	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	4,88,552	2000-01	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2,26,538	2006-07	Commissioner of Income Tax (Appeals), Kolkata
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
Central Excise Act, 1944	Excise Duty	70,49,481	2002-04	High Court, Jharkhand
Central Excise Act, 1944	Excise Duty	6,57,665 58,59,993	2002-04 2008-09	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Excise Duty	4,28,424	2009-10	Commissioner of Central Excise (Appeals), Ranchi



# Auditors' Report



- |  |   |
|--|---|
| <p>(x) The Company does not have 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.</p>  | <p>(xvi) The term loan taken during the year has been applied for the purpose for which it was taken.</p>   |
| <p>(xi) The Company has not defaulted in repayment of dues to banks.</p>   | <p>(xvii) According to the information and explanations given to us, the funds raised on short term basis have not been used for long term investment.</p>  |
| <p>(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.</p>  | <p>(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.</p>   |
| <p>(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.</p>                       | <p>(xix) The Company has not issued any debentures and as such, paragraph 4 (xix) of the order is not applicable.</p>   |
| <p>(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the said Order are not applicable to the company.</p>              | <p>(xx) Since the Company has not raised any money by public issue during the year, paragraph 4 (xx) of the order is not applicable.</p>  |
| <p>(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.</p> | <p>(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, 2013.</p> |

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

Place: Kolkata  
Date: 11th May, 2013



# Balance Sheet as at March 31, 2013



	Note No.	March 31, 2013 ₹	March 31, 2012 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDER'S FUND</b>			
a) Share Capital	2	10,59,75,320	10,59,75,320
b) Reserves And Surplus	3	63,47,23,821	45,05,54,420
		<b>74,06,99,141</b>	<b>55,65,29,740</b>
<b>2 NON - CURRENT LIABILITIES</b>			
a) Long-term Borrowings	4	14,98,70,853	11,11,85,267
b) Deferred Tax Liabilities (Net)	5	7,51,56,576	5,72,15,241
c) Other Long Term Liabilities	6	1,18,57,073	1,19,42,073
d) Long-term Provisions	7	8,95,308	1,44,50,299
		<b>23,77,79,810</b>	<b>19,47,92,880</b>
<b>3 CURRENT LIABILITIES</b>			
a) Short-term Borrowings	8	8,88,48,729	9,08,11,373
b) Trade Payables	9	3,95,25,265	3,41,28,977
c) Other Current Liabilities	10	15,37,61,890	11,03,10,767
d) Short-term Provisions	11	5,59,77,407	3,74,80,881
		<b>33,81,13,291</b>	<b>27,27,31,998</b>
<b>Total</b>		<b>1,31,65,92,242</b>	<b>1,02,40,54,618</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
<b>a) Fixed Assets</b>			
i) Tangible Assets	12	63,85,05,625	48,65,65,336
ii) Intangible Assets	13	4,998	30,249
iii) Capital Work-in-progress		87,99,805	-
iv) Expenditure on Expansion Project (pending allocation)	14	-	1,95,78,857
b) Non-current Investments	15	8,79,983	7,53,300
c) Long-term Loans and Advances	16	5,64,81,570	6,33,60,291
		<b>70,46,71,981</b>	<b>57,02,88,033</b>
<b>2 CURRENT ASSETS</b>			
a) Current Investments	17	7,43,80,162	-
b) Inventories	18	30,78,43,044	26,02,54,888
c) Trade Receivables	19	18,59,78,799	16,34,52,762
d) Cash and Bank Balances	20	82,95,190	42,66,233
e) Short-term Loans and Advances	21	1,15,78,528	81,97,609
f) Other Current Assets	22	2,38,44,538	1,75,95,093
		<b>61,19,20,261</b>	<b>45,37,66,585</b>
<b>Total</b>		<b>1,31,65,92,242</b>	<b>1,02,40,54,618</b>
Summary of Significant Accounting Policies	1		

The notes referred to above form an integral part of the Financial Statements. This is the Balance Sheet referred to in our report of even date.

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

**Alok Pandey**  
**V P Finance & Secretary**

On behalf of the Board

**A C Chakrabortti Chairman**

**Sushil Jhunjunwala Vice Chairman & Managing Director**

Place: Kolkata  
Date: 11th May, 2013

**Ajit Jhunjunwala Joint Managing Director**



# Statement of Profit & Loss for the year ended March 31, 2013



Particulars	Note No.	2012-13 ₹	2011-12 ₹
<b>INCOME</b>			
Revenue from Operations (Gross)	23	1,60,27,63,300	1,19,95,88,975
Less: Excise Duty		6,36,05,689	4,94,84,332
<b>I Revenue from Operations (Net)</b>		<b>1,53,91,57,611</b>	<b>1,15,01,04,643</b>
<b>II Other Income</b>	24	<b>1,02,46,777</b>	<b>17,64,784</b>
<b>III TOTAL REVENUE (I+II)</b>		<b>1,54,94,04,388</b>	<b>1,15,18,69,427</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	25	37,18,75,591	28,17,63,911
(Increase)/ Decrease in Inventories of Finished Goods,			
Work-in-progress and Traded Goods	26	(4,50,39,295)	(3,10,43,811)
Employee Benefits Expenses	27	18,86,57,941	15,91,18,691
Finance Costs	28	4,19,02,327	4,07,13,248
Depreciation and Amortisation Expense	29	5,55,86,857	4,59,07,618
Other Expenses	30	61,17,75,948	47,17,38,773
<b>IV TOTAL EXPENSES</b>		<b>1,22,47,59,369</b>	<b>96,81,98,430</b>
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>32,46,45,019</b>	<b>18,36,70,997</b>
<b>VI Exceptional Items</b>	31	-	9,38,729
<b>VII Profit before Extraordinary Items and Tax (V-VI)</b>		<b>32,46,45,019</b>	<b>18,27,32,268</b>
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit Before Tax (VII-VIII)</b>		<b>32,46,45,019</b>	<b>18,27,32,268</b>
<b>Tax Expenses</b>			
Current Tax		7,77,71,000	6,08,06,952
Deferred Tax Charge/ (Credit)		1,79,41,335	(42,95,393)
Income Tax for earlier years		1,54,109	1,93,048
<b>X Total Tax Expenses</b>		<b>9,58,66,444</b>	<b>5,67,04,607</b>
<b>XI Profit for the year (IX-X)</b>		<b>22,87,78,575</b>	<b>12,60,27,661</b>
<b>XII Earning per Equity Share</b> {Nominal Value of Share Rs 10 (31 March 2012:Rs 10)}			
<b>1) Basic</b>		<b>21.59</b>	<b>11.89</b>
<b>2) Diluted</b>		<b>21.59</b>	<b>11.89</b>
Summary of Significant Accounting Policies	1		

The notes referred to above form an integral part of the Financial Statements. This is the Statement of Profit and Loss referred to in our report of even date.

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

**Alok Pandey**  
**V P Finance & Secretary**

On behalf of the Board

**A C Chakrabortti Chairman**

**Sushil Jhunjunwala Vice Chairman & Managing Director**

Place: Kolkata  
Date: 11th May, 2013

**Ajit Jhunjunwala Joint Managing Director**





# Cash Flow Statement for the year ended March 31, 2013



	March 31, 2013 ₹	March 31, 2012 ₹
<b>A Cash Flow from Operating Activities</b>		
<b>Net Profit before Taxation and Extraordinary Items</b>	<b>32,46,45,019</b>	<b>18,27,32,268</b>
Adjustment for :		
Depreciation	5,55,86,857	4,59,07,618
Provision for Doubtful Receivable & Advances	9,70,500	27,39,983
Provision for Diminution in the value of Investment written back	(1,26,683)	-
Loss on sale of Fixed Assets(Net)	2,61,43,167	9,09,069
Interest Income	(5,75,558)	(5,59,960)
Interest Expenses	3,59,25,432	2,27,36,286
Dividend Income	(3,94,313)	(20,371)
(Gain)/ Loss on Forward Contract	39,19,130	1,60,28,124
Miscellaneous Expenditure written off	-	95,000
Operating Profit before working capital changes	44,60,93,551	27,05,68,017
Movements in Working Capital		
Decrease/ (Increase) in Inventories	(4,75,88,156)	(3,28,01,308)
Decrease/ (Increase) in Trade Receivables and Other Assets	(2,33,39,644)	(4,42,01,712)
Increase/ (Decrease) in Trade Payable and other liabilities	3,08,08,517	1,22,52,072
Cash generated from operations	40,59,74,268	20,58,17,069
Direct Taxes paid( net of Refunds)	(8,59,39,306)	(6,25,20,350)
<b>Net Cash from operating activities</b>	<b>32,00,34,962</b>	<b>14,32,96,719</b>
<b>B Cash flow from Investing activities</b>		
Purchase of Fixed Assets	(22,53,14,638)	(4,88,35,130)
Purchase of Investments	(7,43,80,162)	-
Sale of Fixed Assets	12,34,492	14,60,488
Dividend Received	3,94,313	20,371
Interest Received	5,75,558	5,50,904
<b>Net cash used in investing activities</b>	<b>(29,74,90,437)</b>	<b>(4,68,03,367)</b>
<b>C Cash flow from Financing activities</b>		
Proceeds from (Repayment of) Borrowings	4,57,22,942	(3,91,40,521)
Gain/ (Loss) on Forward Contract	(39,19,130)	(1,60,28,124)
Interest Paid	(3,57,63,215)	(2,42,33,112)
Dividend paid (including dividend distribution tax)	(2,45,56,165)	(1,83,78,367)
<b>Net Cash used in Financing activities</b>	<b>(1,85,15,568)</b>	<b>(9,77,80,124)</b>
<b>Net Increase/ (Decrease) in cash or cash equivalents (A+B+C)</b>	<b>40,28,957</b>	<b>(12,86,773)</b>
Cash or Cash equivalents at the beginning of the year	<b>42,66,233</b>	<b>55,53,006</b>
Cash or Cash equivalents at the end of the year	<b>82,95,190</b>	<b>42,66,233</b>
<b>Components of cash and cash equivalents as at</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Cash in hand	4,13,881	5,64,106
With banks	78,81,309	37,02,127
	<b>82,95,190</b>	<b>42,66,233</b>

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statement (AS 3) notified under The Companies (Accounting Standard) Rules 2006.

This is the Cash Flow Statement referred to in our report of even date.

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

**Alok Pandey**  
**V P Finance & Secretary**

On behalf of the Board

**A C Chakrabortti Chairman**

**Sushil Jhunjunwala Vice Chairman & Managing Director**

Place: Kolkata  
Date: 11th May, 2013

**Ajit Jhunjunwala Joint Managing Director**





# Notes to the Financial Statement

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 2</b>		
<b>Share Capital</b>		
<b>Authorised Shares</b>		
15,000,000 (15,000,000) Equity Shares of Rs 10 each	15,00,00,000	15,00,00,000
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
10,597,532 (10,597,532) Equity Shares of Rs 10 each	10,59,75,320	10,59,75,320

## Reconciliation of the Shares outstanding at the beginning and the end of the reporting period

	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares</b>				
At the beginning of the year	1,05,97,532	10,59,75,320	1,05,97,532	10,59,75,320
At the end of the year	1,05,97,532	10,59,75,320	1,05,97,532	10,59,75,320

## Rights attached to Equity Shares

"The company has only one class of Equity Shares having a par value of Rs 10 per share. Each holder of Equity Shares is entitled to one vote per share. The shareholders are entitled for dividend declared by the company which is proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting.

During the year ended 31st March 2013, the amount of dividend proposed per share to equity shareholders is Rs 3.50 ( 31st March 2012: Rs 2).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

## Details of shareholders holding more than 5% in the company

	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares of Rs 10 each fully paid-up</b>				
1. Genesis Exports Limited	50,70,900	47.85%	50,00,000	47.18%
2. Ajit Jhunjhunwala	14,38,600	13.57%	14,38,600	13.57%

As per the records of the company, the above shareholding represents both legal and beneficial ownership of shares.



# Notes to the Financial Statement



	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 3</b>		
<b>Reserves &amp; Surplus</b>		
Capital Reserve - Subsidy	13,11,344	13,11,344
Securities Premium Account	1,43,37,340	1,43,37,340
Revaluation Reserve		
Balance as per last financial statement	12,14,135	12,14,135
Less: Adjustment on account of disposal of revalued assets	12,14,135	-
	-	12,14,135
<b>General Reserve</b>		
Balance as per last financial statement	15,00,00,000	12,00,00,000
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	4,00,00,000	3,00,00,000
	19,00,00,000	15,00,00,000
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statement	28,36,91,601	21,22,97,373
Profit for the year	22,87,78,575	12,60,27,661
<b>Less: Appropriations</b>		
Proposed equity dividend [Amount per share Rs 3.50 (31st March 2012: Rs 2)]	3,70,91,362	2,11,95,064
Tax on Proposed equity dividend	63,03,677	34,38,369
Transfer to General Reserve	4,00,00,000	3,00,00,000
<b>Total Appropriations</b>	8,33,95,039	5,46,33,433
<b>Net Surplus in the Statement of Profit and Loss</b>	42,90,75,137	28,36,91,601
<b>Total Reserves and Surplus</b>	63,47,23,821	45,05,54,420



# Notes to the Financial Statement

## Note 4

### Long Term Borrowings

	Total Long Term Borrowings		Current maturities of Long Term Borrowings	
	As at March 31, 2013 ₹	As at March 31, 2012 ₹	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Term loans from Banks</b>				
For Sitarganj Unit (Secured)	20,82,70,853	15,05,85,267	5,84,00,000	4,94,00,000
<b>Loans and Advances from Related parties</b>				
From Directors (Unsecured) (Note 34)	-	1,00,00,000	-	-
	20,82,70,853	16,05,85,267	5,84,00,000	4,94,00,000
Less: Amount disclosed under the head "Other Current Liabilities" (Note 10).	5,84,00,000	4,94,00,000	5,84,00,000	4,94,00,000
<b>Net Amount</b>	<b>14,98,70,853</b>	<b>11,11,85,267</b>	<b>-</b>	<b>-</b>

Term loans from Banks for Sitarganj Unit comprises of 2 Term Loans. These term loans carry interest @ 2% p.a. above base rate. The first term loan is repayable in 28 quarterly installments from March 2008 till December 2014. The second term loan is repayable in 21 quarterly installments from March 2013 till March 2018. Both the term loans are secured by first charge over all the plant and machinery and fixed assets (present and future) of the company and the second charge on the entire current assets of the company.

As at March 31, 2013 ₹	As at March 31, 2012 ₹
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## Note 5

### Deferred Tax Liabilities (Net)

#### Deferred Tax Liabilities

Timing differences on account of depreciation

#### Gross Deferred Tax Liabilities

7,68,52,820	6,38,75,290
<b>7,68,52,820</b>	<b>6,38,75,290</b>

#### Deferred Tax Assets

Provision for Doubtful Debts

Expenses allowable under Income Tax on payments

#### Gross Deferred Tax Assets

9,07,529	12,99,803
7,88,715	53,60,246
<b>16,96,244</b>	<b>66,60,049</b>

#### Net Deferred Tax Liability

<b>7,51,56,576</b>	<b>5,72,15,241</b>
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# Notes to the Financial Statement



	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 6</b>		
<b>Other Long Term Liabilities</b>		
Trade and other deposits	65,56,000	66,41,000
Others	53,01,073	53,01,073
<b>Total</b>	<b>1,18,57,073</b>	<b>1,19,42,073</b>
<b>Note 7</b>		
<b>Long Term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (Note 32)	8,95,308	1,44,50,299
<b>Total</b>	<b>8,95,308</b>	<b>1,44,50,299</b>
<b>Note 8</b>		
<b>Short Term Borrowings</b>		
Working Capital Borrowings from Banks (including demand loans) (Secured)	8,88,48,729	9,08,11,373
Working capital borrowing from banks is secured by hypothecation of entire current assets of the company, present and future including stock in transit and at godowns and further secured by second charge on all fixed assets of the company.		
The rate of interest payable on Working Capital Borrowing is 0.50% p.a. above the base rate at monthly rests.		
<b>Note 9</b>		
<b>Trade Payables</b>		
Trade Payables (Refer Note 38 for details of dues to Micro and Small Enterprises).	3,95,25,265	3,41,28,977



# Notes to the Financial Statement

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 10</b>		
<b>Other Current Liabilities</b>		
Current maturities of Long term borrowings (Note 4)	5,84,00,000	4,94,00,000
Interest accrued and due on borrowings	-	7,97,783
Customers's Credit balances and Advances	42,67,527	70,16,713
Investor Education and Protection fund will be credited by the following amounts (as and when due)		
Unclaimed Dividend	11,71,595	10,94,327
Others		
Payable against purchase of capital assets	90,89,632	14,85,613
Statutory dues payable	1,01,13,218	81,49,225
Payable to Employees	2,84,52,479	1,38,53,962
Other Payables	4,22,67,439	2,85,13,144
<b>Total</b>	<b>15,37,61,890</b>	<b>11,03,10,767</b>
<b>Note 11</b>		
<b>Short Term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (Note 32)	14,25,126	20,70,723
Provision for Leave Benefits	33,15,389	18,10,515
Other Provisions		
Provision for Taxation (Net of advances)	-	41,45,662
Provision for Excise Duty on Stock	78,41,853	48,20,548
Proposed Equity Dividend	3,70,91,362	2,11,95,064
Provision for tax on proposed Equity Dividend	63,03,677	34,38,369
<b>Total</b>	<b>5,59,77,407</b>	<b>3,74,80,881</b>



# Notes to the Financial Statement

## Note 13 Intangible Asset

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Lands	Total Tangible Assets	Software	Total Intangible Assets
<b>Gross Block</b>										
As at 1st April 2012	28,13,556 (28,13,556)	16,33,98,310 (15,10,76,353)	58,94,14,606 (58,56,14,978)	2,08,33,626 (1,95,51,005)	97,64,755 (46,32,008)	51,55,493 (45,49,963)	2,87,99,042 (2,87,99,042)	82,01,79,388 (79,70,36,905)	1,32,738 (1,32,738)	1,32,738 (1,32,738)
Addition	48,64,510	92,06,892 (1,23,21,957)	21,58,89,658 (1,73,58,710)	26,51,516 (12,94,171)	31,70,022 (58,64,207)	3,11,092 (6,05,530)	-	23,60,93,690 (3,74,44,575)	-	-
Disposals	-	-	6,59,31,820 (1,35,59,082)	11,18,927 (11,550)	- (731,460)	-	-	6,70,50,747 (1,43,02,092)	-	-
As at 31st March 2013	76,78,066 (28,13,556)	17,26,05,202 (16,33,98,310)	73,93,72,444 (58,94,14,606)	2,23,66,215 (2,08,33,626)	1,29,34,777 (97,64,755)	54,66,585 (51,55,493)	2,87,99,042 (2,87,99,042)	98,92,22,331 (82,01,79,388)	1,32,738 (1,32,738)	1,32,738 (1,32,738)
<b>Depreciation / Amortization</b>										
Up to 31st March 2012	-	3,96,56,864 (3,50,94,547)	2,77,69,865 (25,08,04,047)	98,90,773 (86,55,322)	15,42,494 (10,62,697)	2,74,813 (24,87,940)	19,05,920 (15,78,658)	33,36,14,052 (29,96,83,211)	1,02,489 (58,247)	1,02,489 (58,247)
Charge for the year	-	50,64,407 (45,62,317)	4,73,56,413 (3,86,31,847)	13,95,941 (12,39,022)	10,73,166 (8,42,732)	3,44,417 (2,60,196)	3,27,262 (3,27,262)	5,55,61,606 (4,58,63,376)	25,251 (44,242)	25,251 (44,242)
On Disposals	-	-	3,73,61,943 (1,15,66,029)	10,97,009 (3,571)	- (3,62,935)	-	-	3,84,58,952 (1,19,32,535)	-	-
Up to 31st March 2013	-	4,47,21,271 (3,96,56,864)	28,78,64,335 (27,78,69,865)	1,01,89,705 (98,90,773)	26,15,660 (15,42,494)	30,92,553 (27,48,136)	22,33,182 (19,05,920)	35,07,16,706 (33,36,14,052)	1,27,740 (1,02,489)	1,27,740 (1,02,489)
<b>Net Block</b>										
At 31 st March 2013	76,78,066	12,78,85,931	45,15,08,109	1,21,76,510	1,03,19,117	23,74,032	2,65,65,860	63,85,05,625	4,998	4,998
At 31 st March 2012	28,13,556	12,37,41,446	31,15,44,741	1,09,42,853	82,22,261	24,07,357	2,68,93,122	48,65,65,336	30,249	30,249

The fixed assets of Madhupur Unit were revalued during the year ended 31st March 1994 and the resulting surplus thereon was transferred to Revaluation Reserve. The amount lying in such Reserve at the year end is Nil (Rs 12,14,135) as the revalued assets have been disposed off / discarded during the year.



# Notes to the Financial Statement

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 14</b>		
<b>Capital Expenditure on Expansion Projects (Pending Allocation)</b>		
Building under construction	71,35,722	67,65,471
Machinery under erection	17,11,20,760	1,06,85,167
	<b>17,82,56,482</b>	<b>1,74,50,638</b>
<b>Incidental Expenditure pending allocation to Fixed Assets</b>		
Raw Material Consumed during Trial Run	17,30,700	-
Power & Fuel	43,01,578	-
Salary, Wages & Staff Cost	38,05,573	-
Finance Cost	30,17,065	16,77,349
Other Expenses	63,85,601	4,50,870
Less : Stock Obtained out of Trial Run	(79,62,011)	-
	<b>18,95,34,988</b>	<b>1,95,78,857</b>
Less : Capitalised during the year	(18,95,34,988)	-
<b>Total</b>	<b>-</b>	<b>1,95,78,857</b>

## **Note 15** **Non Current Investments**

**Other than trade (valued at cost)**  
**Quoted equity instruments**  
**Investment in Associates**

	Nos.		Nos.	
Equity shares of Rs 10 each fully paid-up in Genesis Exports Ltd	75,330	879,983	75,330	879,983
Less: Diminution in value of Investment		-		126,683
		<b>879,983</b>		<b>753,300</b>
<b>Aggregate amount of quoted investments</b>		<b>879,983</b>		<b>879,983</b>
<b>Market value of quoted investment*</b>				
<b>Aggregate Provision for diminution in value of investments*</b>		-		<b>126,683</b>

\*The equity shares of Genesis Exports Limited are listed but have not been traded since many years. However based on the Audited Accounts for the year 2011-12, the breakup value per share is Rs 296 which is much higher than the cost of acquisition. Accordingly the provision for diminution in the value of investment made in earlier year has been reversed.



# Notes to the Financial Statement



	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 16</b>		
<b>Long term Loans and Advances</b>		
<b>Capital Advances</b>		
Unsecured, considered good	3,75,69,777	4,64,49,631
Doubtful	1,41,600	5,32,200
	<u>3,77,11,377</u>	<u>4,69,81,831</u>
Less: Provision for doubtful advances	1,41,600	5,32,200
<b>Net Capital Advances</b>	<u><u>3,75,69,777</u></u>	<u><u>4,64,49,631</u></u>
<b>Security Deposits</b>		
(Unsecured, considered good)		
With related parties (Note 34)	40,00,000	40,00,000
With Others	1,22,31,510	1,04,19,585
	<u><u>1,62,31,510</u></u>	<u><u>1,44,19,585</u></u>
<b>Advances recoverable in cash or in kind</b>		
Unsecured, considered good	12,26,656	10,37,448
Doubtful	2,25,000	2,25,000
	<u>14,51,656</u>	<u>12,62,448</u>
Less: Provision for doubtful advances	2,25,000	2,25,000
<b>Net Advances recoverable in cash or in kind</b>	<u><u>12,26,656</u></u>	<u><u>10,37,448</u></u>
<b>Other Advances</b>		
Advance payment of Tax (net of provisions) (under appeal)	14,53,627	14,53,627
<b>Total</b>	<u><u>5,64,81,570</u></u>	<u><u>6,33,60,291</u></u>

## Note 17

### Current Investments

### No. of Units

#### Other than trade (valued at lower of cost or fair value)

#### Un Quoted- Units of Mutual Funds

SBI Short Term Debt Fund - Regular Plan Growth	4730729.488	6,20,00,000	-
SBI Ultra Short Fund - Debt Fund - Regular Plan Daily Dividend	12364.253	1,23,80,162	-
	<u><u>4743093.741</u></u>	<u><u>7,43,80,162</u></u>	-

Aggregate amount of Unquoted investments

7,43,80,162

Aggregate Repurchase price of Unquoted investments

7,61,37,623





# Notes to the Financial Statement

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 18</b>		
<b>Inventories (valued at lower of cost or net realisable value)</b>		
Raw Materials	3,36,44,232	4,24,57,696
Finished Goods	6,17,39,272	4,66,32,928
Semi Finished Goods	16,15,67,780	12,36,72,818
Packing Material	95,12,804	81,97,713
Stores (including Oil & Repair Stock)	4,13,78,956	3,92,93,733
<b>Total</b>	<b>30,78,43,044</b>	<b>26,02,54,888</b>
The above includes Goods in Transit:		
Raw Materials	1,37,419	2,64,583
Finished Goods	20,462	-
Stores (including Oil & Repair Stock)	43,57,000	26,77,224
	<b>45,14,881</b>	<b>29,41,807</b>
<b>Note 19</b>		
<b>Trade Receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	43,505	6,15,605
Unsecured, considered good	43,80,717	12,31,606
Unsecured, considered doubtful	26,69,987	40,06,175
	<b>70,94,209</b>	<b>58,53,386</b>
<b>Less: Provision for doubtful receivables</b>	<b>26,69,987</b>	<b>40,06,175</b>
<b>(A)</b>	<b>44,24,222</b>	<b>18,47,211</b>
<b>Other receivables</b>		
Secured, considered good	65,12,495	60,25,395
Unsecured, considered good	17,50,42,082	15,55,80,156
<b>(B)</b>	<b>18,15,54,577</b>	<b>16,16,05,551</b>
<b>Total (A+B)</b>	<b>18,59,78,799</b>	<b>16,34,52,762</b>



# Notes to the Financial Statement



	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Note 20</b>		
<b>Cash and Bank Balance</b>		
<b>Cash and Cash Equivalents</b>		
Cash in hand	4,13,881	5,64,106
Balance with Banks:		
On Current Account	10,44,404	14,17,783
On Unpaid Dividend Account	11,71,595	10,94,327
<b>Other Bank Balances</b>		
Margin Money Deposit Account	56,65,310	11,90,017
<b>Total</b>	<b>82,95,190</b>	<b>42,66,233</b>
<b>Note 21</b>		
<b>Short term Loans and Advances</b>		
<b>Security Deposits</b>		
Unsecured, Considered good	-	10,000
<b>Advances recoverable in cash or kind</b>		
Unsecured, Considered good	61,75,067	52,49,273
Unsecured, Considered doubtful	7,37,057	-
	69,12,124	52,49,273
Less: Provision for Doubtful Advances	7,37,057	-
<b>Net Advances Recoverable in cash or kind</b>	<b>61,75,067</b>	<b>52,49,273</b>
<b>Other Advances</b>		
Advance Tax (Net of provision)	29,08,476	-
Balances with Excise and other Revenue Authorities	24,94,985	29,38,336
	<b>1,15,78,528</b>	<b>81,97,609</b>
<b>Note 22</b>		
<b>Other Current Assets</b>		
<b>Unsecured, Considered good</b>		
Interest accrued on Deposits	4,60,461	2,85,150
Export Incentives Receivable	1,15,45,810	1,22,49,765
Licence in Hand	1,18,38,267	50,60,178
<b>Total</b>	<b>2,38,44,538</b>	<b>1,75,95,093</b>



# Notes to the Financial Statement



	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
<b>Note 23</b>		
<b>Revenue from Operations</b>		
<b>Sale of Products</b>		
Glass & Glassware	1,57,36,45,726	1,17,26,84,612
Electricity	29,99,251	29,94,796
<b>Other Operating Revenue</b>		
Scrap Sales	12,08,914	8,49,564
Export Incentives	2,49,09,409	2,30,60,003
<b>Revenue from Operations (Gross)</b>	<b>1,60,27,63,300</b>	<b>1,19,95,88,975</b>
Less: Excise Duty	6,36,05,689	4,94,84,332
<b>Revenue from Operations (Net)</b>	<b>1,53,91,57,611</b>	<b>1,15,01,04,643</b>
<b>Note 24</b>		
<b>Other Income</b>		
Interest	5,75,558	5,59,960
Dividend on Current Investments	3,94,313	20,371
Sale of Key man Insurance policy	32,14,365	-
Exchange Differences (Net)	48,19,845	1,72,376
Provision for Doubtful Receivables/ Advances Recovered/ Written back	6,25,198	5,07,802
Unclaimed balance adjusted	2,63,662	2,78,656
Insurance & Other Claims	2,27,153	2,25,619
Provision For Diminution in the value of Investments Written Back	1,26,683	-
<b>Total</b>	<b>1,02,46,777</b>	<b>17,64,784</b>



# Notes to the Financial Statement



	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
<b>Note 25</b>		
<b>Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Inventory at the beginning of the year	4,24,57,696	4,80,09,826
Add: Purchases	24,71,58,742	18,82,99,277
	28,96,16,438	23,63,09,103
Less: Inventory at the end of the year	3,36,44,232	4,24,57,696
<b>Raw Materials Consumed (A)</b>	<b>25,59,72,206</b>	<b>19,38,51,407</b>
<b>Packing Materials Consumed</b>		
Inventory at the beginning of the year	81,97,713	1,06,17,458
Add: Purchases	11,72,18,476	8,54,92,759
	12,54,16,189	9,61,10,217
Less: Inventory at the end of the year	95,12,804	81,97,713
<b>Packing Materials Consumed (B)</b>	<b>11,59,03,385</b>	<b>8,79,12,504</b>
<b>Materials Consumed (A+B)</b>	<b>37,18,75,591</b>	<b>28,17,63,911</b>
<b>Details of Raw Materials Consumed</b>		
Transfer paper	5,22,11,259	4,51,67,110
Quartz powder	1,61,74,917	1,06,23,064
Borax Pantahydrate	4,85,34,684	2,03,15,109
Others	13,90,51,346	11,77,46,124
	<b>25,59,72,206</b>	<b>19,38,51,407</b>
<b>Details of Inventory of Raw Materials</b>		
Transfer paper	1,08,44,852	1,54,01,957
Quartz powder	15,83,501	7,09,974
Borax Pantahydrate	33,62,988	26,49,724
Others	1,78,52,891	2,36,96,041
	<b>3,36,44,232</b>	<b>4,24,57,696</b>



# Notes to the Financial Statement

	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
<b>Note 26</b>		
<b>(Increase)/ Decrease in Inventories</b>		
<b>Inventories at the end of the year (Glass &amp; Glassware)</b>		
Semi finished Goods	12,36,72,818	9,93,51,613
Finished Goods	4,66,32,928	3,99,10,322
	<b>17,03,05,746</b>	<b>13,92,61,935</b>
<b>Add: Stock obtained out of trial run</b>	79,62,011	-
	<b>17,82,67,757</b>	<b>13,92,61,935</b>
<b>Less: Inventories at the end of the year (Glass &amp; Glassware)</b>		
Semi finished Goods	16,15,67,780	12,36,72,818
Finished Goods	6,17,39,272	4,66,32,928
	<b>22,33,07,052</b>	<b>17,03,05,746</b>
<b>(Increase)/ Decrease</b>	<b>(4,50,39,295)</b>	<b>(3,10,43,811)</b>
<b>Note 27</b>		
<b>Employee Benefit Expenses</b>		
Salaries, Wages, Bonus, Incentives & Leave pay	17,14,75,588	14,32,83,934
Contribution to Provident and other fund	1,06,62,555	93,63,022
Gratuity (Note 32)	23,66,386	37,18,807
Staff Welfare Expenses	41,53,412	27,52,928
<b>Total</b>	<b>18,86,57,941</b>	<b>15,91,18,691</b>
<b>Note 28</b>		
<b>Finance Costs</b>		
Interest	3,79,82,497	2,27,36,286
Interest to Income Tax Dept.	9,60,000	-
Other Finance Charges	20,57,765	20,96,187
(Gain)/ Loss on Forward Contract	39,19,130	1,60,28,124
	4,49,19,392	4,08,60,597
Less: Transfer to capital expenditure on expansion project	30,17,065	1,47,349
<b>Total</b>	<b>4,19,02,327</b>	<b>4,07,13,248</b>
<b>Note 29</b>		
<b>Depreciation and Amortisation Expense</b>		
Depreciation of Tangible Assets	5,55,61,606	4,58,63,376
Amortisation of Intangible Assets	25,251	44,242
<b>Total</b>	<b>5,55,86,857</b>	<b>4,59,07,618</b>



# Notes to the Financial Statement



	For the year ended March 31, 2013 ₹		For the year ended March 31, 2012 ₹	
<b>Note 30</b>				
<b>Other Expenses</b>				
Stores and spares consumed		4,48,46,693		3,45,07,477
Increase/ (Decrease) of excise duty on inventories		30,21,305		4,89,838
Power & Fuel		24,27,13,383		19,59,24,302
Freight and forwarding charges		4,45,61,936		3,43,00,066
Rent and Hire Charges		42,69,609		43,00,077
Rates & Taxes		16,34,519		18,64,800
Insurance		16,54,889		23,68,305
Repair and Maintenance				
Plant & Machinery	50,90,740		2,38,12,130	
Building	28,09,619		17,25,149	
Others	23,81,659	1,02,82,018	15,52,296	2,70,89,575
Advertisement and Sales Promotion		14,75,68,385		9,53,15,541
Brokerage & Commission		32,86,525		55,29,741
Transit Loss		29,63,174		37,77,202
Travelling and conveyance		1,73,72,643		1,59,22,132
Legal and professional fees		87,71,858		1,01,78,259
Directors' sitting fees		3,05,000		2,60,000
Payment to Auditor				
As Auditor	5,80,000		4,10,000	
In other capacity for Cerificates	15,000	5,95,000	15,000	4,25,000
Loss on sale of fixed assets (Net)		2,61,43,167		9,09,069
Irrecoverable debts/ advances written off	16,76,169		22,16,551	
Less: Adjusted against Provision	13,35,033	3,41,136	20,17,682	1,98,869
Provision for Doubtful Receivables & Advances		9,70,500		27,39,983
Prior Period Expenses (Net)		3,37,302		10,83,103
Loss on sale of DEPB Licences		1,40,486		2,22,817
Donation		5,55,100		4,62,000
Discount		1,30,06,987		91,80,340
Directors' Commission		1,72,25,917		73,57,148
Miscellaneous Expenses		1,92,08,416		1,73,33,129
<b>Total</b>		<b>61,17,75,948</b>		<b>47,17,38,773</b>

## **Note 31** **Exceptional Item**

Exceptional Item	-	938,729
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During the previous year, the company had treated loss arising on account of foreign exchange fluctuations and re-instatement of forex assets & liabilities after 1st July 2011 as exceptional item, since the same had resulted from exceptionally volatile global market developments.



# Notes to the Financial Statement



## Notes to the Financial Statements as at and for the year ended March 31, 2013

### Note 1 Nature of Operations

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

#### Note 1.1 Statement of Significant Accounting Policies

##### Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India and comply with Accounting Standards notified by the Companies (Accounting Standards) 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, in all material aspects, have been consistently applied by the company and are consistent with those used in the previous year. The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of financial statements and income and expenses for the reporting period. Estimates and assumptions are reviewed on an ongoing basis.

The significant accounting policies followed by the Company are stated below:

##### (A) 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.

##### (B) 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 Statement of Profit and Loss.

##### (C) 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. Depreciation on additions/ disposals during the year is provided on pro-rata basis with reference to the date of addition/ disposal.

Fixed assets costing below Rs 5,000 are fully depreciated in the year of addition. Leasehold land is amortised over the period of lease. Intangible assets are amortised over useful life not exceeding 5 years.

##### (D) 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.



# Notes to the Financial Statement



## **(E) Expenditure on New/ Expansion 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 such expenditure.

## **(F) 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 to Statement of Profit & Loss. 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 Statement of Profit and Loss on a straight-line basis over the lease term.

## **(G) 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.

## **(H) 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 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 long term investments.

## **(I) 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)/ Weighted average 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.

## **(J) 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.





# Notes to the Financial Statement

## **Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. The amount recognised is exclusive of Sales Tax, Value Added Tax and Service Tax.

## **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.

## **(K) Foreign currency transaction**

### **Foreign exchange transactions**

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

Monetary assets and liabilities denominated in foreign currency are translated at the year end rates and resultant gains/ losses from foreign exchange translation are recognised in the Statement of Profit and Loss.

### **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.

## **(L) 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 Statement of Profit & Loss 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 Statement of Profit & Loss. There is no carry forward of such leave.

### **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 Statement of Profit & Loss in the financial year to which they relate. There is no obligation other than the monthly contributions.

#### **(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 above defined benefit plan is provided 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 Company presents its gratuity liability as current and non-current based on actuarial valuation. The fair value of the plan asset is reduced from the gross obligation to disclose the obligation on net basis in the Balance Sheet. Actuarial gains/ losses are recognised in the Statement of Profit & Loss of the year.

## **(M) Income Taxes**

Tax expense comprises of current tax and deferred tax charge or release. Current income tax is measured at the amount expected to be paid to the tax authorities



# Notes to the Financial Statement



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. Deferred tax asset arising on account of unabsorbed depreciation or carry forward tax losses are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, an asset is created by way of credit to the statement of profit and loss as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to that effect that the company will pay normal Income tax during the specified period.

## (N) 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.

## (O) 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.

## (P) Contingencies

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



# Notes to the Financial Statement

## 32 Disclosure under AS-15

Employees Benefits in 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:

	2012-13	2011-12
Discount Rate	8%	8%
Rate of increase in compensation level	5%	5%
Rate of Return on plan assets	9%	8%
Expected Average remaining working lives of employees (years)	14.93 to 25.74	17.40 to 26.03
<b>Change in the present value of obligation</b>		
Present value of obligation (Opening)	242,82,184	211,57,169
Current Service Cost	19,26,249	19,26,639
Interest cost	22,91,160	18,16,968
Actuarial (gains)/ losses	(10,87,864)	6,86,299
Benefits paid	(7,53,413)	(13,04,891)
Present value of obligation (Closing)	266,58,316	242,82,184
<b>Change in the Fair Value of Plan Assets</b>		
Fair value of Plan Assets (Opening)	77,61,162	73,36,011
Expected Return on Plan Assets	14,44,457	6,03,887
Actual Company contribution	165,66,974	10,18,943
Actuarial Gains/ (Loss)	(6,81,298)	1,07,212
Benefits paid	(7,53,413)	(13,04,891)
Fair value of Plan Assets (Closing)	243,37,882	77,61,162
<b>Reconciliation of present value of obligation and the fair value of Plan Assets</b>		
Present value of Closing funded obligation	253,91,770	232,72,130
Present value of Closing unfunded obligation	12,66,546	10,10,054
<b>TOTAL</b>	<b>266,58,316</b>	<b>242,82,184</b>
Fair value of plan assets (closing) (to the extent funded)	243,37,882	77,61,162
Unfunded Net Liability recognised in the Balance Sheet	<b>23,20,434</b>	<b>165,21,022</b>
<b>Classification of gratuity liability</b>		
As Long Term Provision	8,95,308	144,50,299
As Short Term Provision	14,25,126	20,70,723
<b>TOTAL</b>	<b>23,20,434</b>	<b>165,21,022</b>
<b>Expenses recognized in the Statement of Profit and Loss</b>		
Current Service Cost	19,26,249	19,26,639
Interest cost	22,91,160	18,16,968
Expected Return on Plan Asset	(14,44,457)	(6,03,887)
Actuarial Losses/ (Gains) on Obligation	(10,87,864)	6,86,299
Actuarial Losses/ (Gains) on Plan Asset	6,81,298	(1,07,212)
Total Expenses recognised in Statement of Profit & Loss	23,66,386	37,18,807



# Notes to the Financial Statement



## 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 12,66,546 for employees of Sitargunj and Global unit has not been funded.
- The Company expects to contribute Rs 5,00,000 (Approx.) during the year 2013-14.
- Amount for the current year and previous four years are as follows:

	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)	2010-11 (₹ in lakhs)	2009-10 (₹ in lakhs)	2008-09 (₹ in lakhs)
<b>Defined Benefits Obligations:</b>					
Unfunded	12.67	10.10	8.64	8.27	4.76
Funded	253.91	232.72	202.93	154.63	141.32
	<b>266.58</b>	<b>242.82</b>	<b>211.57</b>	<b>162.90</b>	<b>146.08</b>
Fair Value of Plan Assets	243.38	77.61	73.36	61.96	53.83
Deficit	<b>23.20</b>	<b>165.21</b>	<b>138.21</b>	<b>100.94</b>	<b>92.25</b>

## 33 Segment Information

The company mainly deals in one product – 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:

	2012-13 ₹	2011-12 ₹
<b>a) Revenue from Operations</b>		
Outside India	23,58,86,263	20,38,58,176
Within India	134,07,58,714	97,18,21,232
<b>Total</b>	<b>157,66,44,977</b>	<b>117,56,79,408</b>
<b>b) Carrying amount of Trade Receivable</b>		
Outside India	2,13,85,337	1,45,49,887
Within India	16,45,93,462	14,89,02,875
<b>Total</b>	<b>18,59,78,799</b>	<b>16,34,52,762</b>
<b>c) The company has common fixed assets for producing goods for domestic and export markets. Hence, separate figures for fixed assets/ additions to fixed assets are not furnished.</b>		



# Notes to the Financial Statement

## 34 Related Party Disclosure

### Associates

Genesis Exports Ltd  
Ishita Housing (P) Ltd  
SKJ Estate (P) Ltd  
Anuradha Designers (P) Ltd

### Key Management Personnel

**Sushil Jhunjhunwala** Vice Chairman & Managing Director  
**Ajit Jhunjhunwala** Joint Managing Director  
**Nidhi Jhunjhunwala** Executive Director

### Relatives of Key Management Personnel

Shruti Kishorepuria  
Himanshu Jhunjhunwala

	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	₹	₹	₹	₹	₹	₹
Rent Paid	30,00,000	30,00,000	-	-	-	-
Loan Received	-	-	-	-	-	-
Loan Refunded	-	-	1,00,00,000	-	-	-
Interest Paid	-	-	7,03,562	9,00,000	-	-
Remuneration	-	-	3,27,78,292	1,96,94,448	14,77,007	11,53,013
<b>Balance outstanding as at the year end:</b>						
Receivable	40,00,000	40,00,000	-	-	-	-
Payable	-	-	1,70,17,917	1,73,59,898	51,098	58,106



# Notes to the Financial Statement



## 35 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. mtr.

Office premises at Kolkata and Delhi have been obtained on non-cancelable operating lease. The monthly rent is payable @ Rs 2,50,000 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.

	<b>Operating Lease</b>	
	<b>2012-13</b>	<b>2011-12</b>
	<b>₹</b>	<b>₹</b>
Lease payment for the year	32,02,485	32,02,485
Minimum lease payment not later than one year	32,02,485	32,02,485
Later than one year but not later than five years	1,51,27,440	1,41,59,940
Later than five years	1,59,95,865	1,61,98,350

## 36 Earning per Share (EPS)

Net Profit as per statement of Profit and Loss	22,87,78,575	12,60,27,661
Weighted average number of Equity Shares	1,05,97,532	1,05,97,532
Earnings per Share (Basic and Diluted) (Rs)	21.59	11.89
Nominal Value of shares (Rs)	10	10

	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
<b>37(a) Contingent Liabilities not provided for</b>		
Letter of credit	7,34,98,918	8,97,44,039
Disputed Income tax	31,37,982	31,37,982
Disputed Excise duty	1,39,95,563	1,39,95,563
Disputed Sales Tax	47,14,326	47,14,326
Land Revenue	2,00,100	2,00,100

**37(b)** Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances) is Rs 76923000 (Rs 96107000).

## 38 Micro, Small & Medium Enterprises

There were no dues outstanding to the suppliers as on 31.03.2013 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/ information. No interest in terms of such Act has either been paid or provided during the year.



# Notes to the Financial Statement

		2012-13 ₹	2011-12 ₹
39	Earning in Foreign Currency		
	Exports at F.O.B. Value	23,53,50,442	20,32,61,649
	Others	1,67,708	1,12,857
		23,55,18,150	20,33,74,506
40	Expenditure in foreign currency		
	Travelling	47,02,399	18,81,087
	Technical Fee	2,99,193	-
	Others	37,10,238	22,64,915
		87,11,830	41,46,002
41	Value of imports calculated on CIF basis		
	Raw materials	5,92,02,763	6,53,46,773
	Components, Refractories and spare parts	85,88,712	2,60,63,790
	Capital goods	16,00,35,160	30,97,114
		22,78,26,635	9,45,07,677
42	Imported and indigenous raw materials, components and spare parts consumed		
		Value (₹)	
	Percentage of total consumption		
	2012-13	2011-12	
Raw Materials			
Imported	32	38	8,21,01,618
Indigenous	68	62	17,38,70,588
	100	100	25,59,72,206
Stores & Spare Parts			
Imported	60	39	2,70,64,751
Indigenous	40	61	1,77,81,942
	100	100	4,48,46,693

## 42 (a) Particulars of unhedged foreign currency exposure as at the year end is as follows

	Currency in			
	Pound	Euro	USD	INR
Trade Receivables	4,686	-	3,70,000	2,13,85,337
	(9,013)	(-)	(2,60,257)	(1,45,49,887)
Trade Payables	-	15,750	22,932	23,47,365
	(-)	(-)	(9,140)	(4,68,565)
Advances from Customer	9,594	4,810	47,319	36,98,011
	(1,412)	(10,000)	(107,340)	(61,95,191)
Advances to Supplier	-	33,624	1,522	24,87,508
	(-)	(-)	(-)	(-)
Advances for Capital Goods	1,02,000	40,000	60,000	1,44,41,842
	(-)	(-)	(-)	(-)



# Notes to the Financial Statement



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

Currency	Number of contracts	Amount of foreign currency	Purpose
U.S. Dollar	0 (6)	- (20,96,000)	- For Loan Repayment

43 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, 2013.

Description	As at 01.04.2012	Additions during the year	Utilised/ Reversed during the year	As at 31.03.2013
Provision for Excise Duty	48,20,548 (59,84,113)	78,41,853 (48,20,548)	48,20,548 (59,84,113)	78,41,853 (48,20,548)

44 Previous year's figures

Previous year's figures, which are given in brackets, have been regrouped or reclassified, wherever necessary.

## Signatories to Notes 1 to 44

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

**R K Bagri**  
**Partner**  
**Membership No. 51956**

Alok Pandey  
**V P Finance & Secretary**

On behalf of the Board

A C Chakrabortti **Chairman**

Sushil Jhunjunwala **Vice Chairman & Managing Director**

Place: Kolkata  
Date: 11th May, 2013

Ajit Jhunjunwala **Joint Managing Director**





LA OPALA®

LA OPALA RG LIMITED

Registered Office "Chitrakoot" 10th Floor 230A AJC Bose Road Kolkata 700 020

India's  
**No1**  
TABLEWARE BRAND

LA OPALA  
**25**  
Years of  
Leadership

## 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 SIXTH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, 13 August, 2013, at 12.30 pm  
at Gyan Manch, 11 Pretoria Street, Kolkata 700071 at any adjournment thereof.

Signed .....

Date ..... Regd. Folio No. ....

Revenue  
Stamp Rs 1

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



LA OPALA®

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Registered Office "Chitrakoot" 10th Floor 230A AJC Bose Road Kolkata 700 020

India's  
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**25**  
Years of  
Leadership

## Admission Slip 26th Annual General Meeting

**Date** 13 August, 2013 **Time** 12.30 pm **Place:** Gyan Manch, 11 Pretoria Street, Kolkata 700071

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

Name of the member / proxy present .....

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.**



LA OPALA®



LA OPALA®

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*diva*™  
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— COLLECTION —

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Manish Malhotra

La Opala RG Limited

Chitrakoot 10th Floor 230A AJC Bose Road Kolkata 700 020 India  
P +91 33 3053 6656/7/8 F +91 33 3053 6659 E info@laopala.in www.laopala.in

## FORM A

**Format of covering letter of the annual audit report to be filled with the stock exchanges**

1	Name of the Company	LA OPALA RG LIMITED
2	Annual financial statements for the year ended	31st MARCH, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by -	
	CEO/Managing Director	
	CFO	
	Auditor of the company	
	Audit Committee Chairman	