



Board of Directors

| | |
|--|---|
| Chairman | : A. C. Chakrabortti |
| Managing Director | : Sushil Jhunjhunwala |
| Dy. Managing Director | : Ajit Jhunjhunwala |
| Executive Director | : Nidhi Jhunjhunwala |
| Directors | : G Narayana Shakir Ali Arun Churiwal Rajiv Gujral |
| General Manager Finance & Secretary | : Alok Pandey |
| Auditors | : Doshi, Chatterjee, Bagri & Co. |
| Banker | : State Bank of India |
| Registrar & Share Transfer Agent | : MCS Limited 77/2A, Hazra Road, Kolkata 700 029 |
| Registered Office | : 'Chitrakoot', 10th Floor 230A, A.J. C. Bose Road, Kolkata 700 020, India Tel.: 3053 6656 / 57 / 58, Fax: 3053 6659 Email: laopala@eth.net Website: www.laopala.in |
| Works | : Post: Madhupur, Dist. Deoghar Jharkhand B-108, ELDECO SIDCUL Industrial Park Sitargunj, Udham Singh Nagar Uttarakhand 262 405 |



Notice

NOTICE is hereby given that 24th Annual General Meeting of the Company will be held at 'Kala Kunj', at 48, Shakespeare Sarani, Kolkata 700 017 on Saturday the 30th July, 2011 at 11.30 A.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report and Auditors' Report and audited statement of accounts for the year ended 31st March, 2011;
2. To declare dividend for the year ended 31st March, 2011;
3. To appoint a Director in place of Sri Arun Churiwal who retires

by rotation and being eligible offers himself for reappointment.

4. To appoint a Director in place of Sri G Narayana who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

By Order of the Board

Place: Kolkata

Date: 14th May, 2011

Alok Pandey

G.M. Finance & Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must be lodged at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 regarding the Special Business contained in the notice is annexed.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 21st July, 2011 to 30th July, 2011 (both days inclusive).

5. Members are requested to bring their copy of Annual Report to the Meeting.

6. Shareholders requiring any information regarding accounts are requested to write to the company in advance so that the relevant information can be furnished by the Company.

7. Members of the Company are requested to intimate immediately to the Registered Office of the Company about the change of address, if any.

8. Members/Proxies are requested to bring the Attendance Slip duly filled in and hand it over at the entrance of the Meeting hall.

9. Reappointment of Directors

Sri Arun Churiwal was appointed as a Director on 26th June 2004. He is a Graduate and has got vast working experience. He is presently the Chairman cum Managing Director of M/s BSL Ltd., Managing Director of M/s RSWM Ltd. and holding the directorship in M/s LNJ Financial Services Ltd., M/s Siltex Ltd., M/s Churiwal Properties & Investments Pvt

Ltd., M/s PRC Niyojan Pvt. Ltd. He is a Governing Council Member of M/s LNJ Bhilwara Anusandhan Vikas Kendra and a Managing Committee Member of Merchants' Chamber of Commerce.

Sri G Narayana was appointed as a Director on 25th November, 1996. He is a Corporate Advisor, Management Author and Trainer. Currently he is a Chairman & Director of Punjab Chemicals & Crop Protection Ltd. and Yash Papers Ltd. and Director of Aryan Paper Mills Ltd. He is also a Chairman Emeritus in Excel Industries Ltd.



Directors' Report

To the Members

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2011.

Performance Review

During the year under review, the Company's performance showed substantial improvement both in respect of turnover and profitability. The turnover increased by 28.25% from ₹76.81 crores to ₹98.51 crores and the profit after tax from ₹277 lacs in the previous year to ₹932 lacs in the current year. This has been possible partially due to over all economic growth leading to

upsurge in consumer demand, changing lifestyle etc. and partially due to intensive efforts made by the Company's management in diverse directions such as cost control, higher utilization of production facilities, better technological absorption and expansion in marketing and distribution network. This achievement was all the more creditable, because the Company was able to withstand, to certain extent, the effect of very severe competition from products imported from various countries which are trying to penetrate Indian market.

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

| Sl. No. | Particulars | ₹ lacs | ₹ lacs |
|---------|---|--------------------------|---------------------------|
| | | Year ended 31st March'11 | Year ended 31st March '10 |
| 1 | Net Sales / Income from operations | 10051.00 | 7782.55 |
| 2 | Other Income | 40.74 | 13.52 |
| 3 | Total expenses before interest and depreciation | 7952.46 | 6514.65 |
| 4 | Interest | 352.04 | 405.23 |
| 5 | Gross profit after interest but before depreciation | 1787.24 | 876.19 |
| 6 | Depreciation | 449.75 | 428.31 |
| 7 | Profit before taxation | 1337.49 | 447.88 |
| 8 | Tax expenses | 405.13 | 171.15 |
| 9 | Net profit | 932.36 | 276.73 |
| 10 | Surplus available | 932.36 | 276.73 |
| 11 | Dividend | 158.96 | 79.48 |
| 12 | Tax on Dividend | 25.79 | 13.51 |
| 13 | Transferred to General Reserve | 157.80 | - |
| 14 | Balance as per last year | 1533.16 | 1349.41 |
| 15 | Balance carried to Balance Sheet | 2122.97 | 1533.16 |

Dividend

Your Directors are pleased to recommend, for consideration of shareholders at the 24th Annual General Meeting, payment of dividend of 15% i.e. ₹1.50 per share on equity shares of the face value of ₹10/- each for the year ended 31st March 2011.

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:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) 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, 2011 and of the profit of the Company for that period;
- iii) 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.
- iv) The annual accounts have been prepared on a going concern basis.

Auditors

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

Comments on Auditors' Report

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

Directors

Sri Arun Churiwal and Sri G Narayana retire by rotation and being eligible offer themselves for re-appointment.

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

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

Particulars of employees

The 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 Government and other agencies, shareholders and the suppliers and solicit their continued support. Your Directors also wish to place on record their deep sense of appreciation of the devoted services of the Executives, Staff and Workers of the Company for its success.

By Order of the Board

Place: Kolkata

Date: 14th May, 2011

Sri A C Chakraborti

Chairman



Annexure 'A' to Directors' Report for the year ended March 31, 2011

Conservation of Energy, Technology Absorption and Foreign Earnings and Outgo under Section 217(1)(e) of the Companies Act, 1956

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

| A | Conservation of Energy | 2010-11 | 2009-10 |
|-----------|---|----------------|----------------|
| 1. | Electricity | | |
| | (a) Purchased | | |
| | Unit: KWH | 8999060 | 5582815 |
| | Total amount (₹ Lakhs) | 380.80 | 214.19 |
| | Rate/Unit (₹) | 4.23 | 3.84 |
| | (b) Own Generation | | |
| | Through Generator | | |
| | Unit: KWH | 4898477 | 5042752 |
| | Unit: Litre of oil | 3.27 | 3.16 |
| | Cost/Unit (₹) | 8.30 | 7.76 |
| 2. | Furnace Oil | | |
| | Quantity | | |
| | Unit: Litre | 1878902 | 1859129 |
| | Total cost (₹ Lakhs) | 501.22 | 444.90 |
| | Cost/Unit (₹) | 26.68 | 23.93 |
| 3. | Others | | |
| | (a) HSD | | |
| | Quantity | | |
| | Unit: Litre | 235335 | 108674 |
| | Total cost (₹ Lakhs) | 79.95 | 32.41 |
| | Cost/Unit (₹) | 33.97 | 29.82 |
| | (b) GAS | | |
| | Quantity | | |
| | Unit: Kgs | 508773 | 517615 |
| | Total cost (₹ Lakhs) | 224.71 | 190.41 |
| | Cost/Unit (₹) | 44.17 | 36.79 |
| | (c) COAL | | |
| | Quantity | | |
| | Unit : Kgs. | 84514 | – |
| | Total cost (₹ Lakhs) | 3.92 | – |
| | Cost / Unit (₹) | 4.64 | – |
| 4. | Consumption per Unit of Production | | |
| | Unit Pcs | 27022689 | 20046896 |
| | Electricity :KWH | 0.51 | 0.53 |
| | Furnace Oil:Litre | 0.07 | 0.09 |
| | HSD : Litre | 0.01 | 0.005 |
| | GAS : Kgs | 0.02 | 0.026 |
| | COAL:Kg | 0.003 | – |



B Technology Absorption

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

C Foreign Exchange Earnings & Outgo

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

On behalf of the Board

Place: Kolkata
Dated: 14th May, 2011

Sri A C Chakrabortti
Chairman

Annexure 'B' to Directors' Report for the year ended March 31, 2011

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 | |
|---------------------|-------------------|--------------|---------------|--------------------|----------------------------|-------------|-------------------------------|-----------|
| | | | | | | | Organization | Post Held |
| Sushil Jhunjhunwala | Managing Director | 6,322,154 | B.Com. | 43 | 01.10.1994 | 61 | Radha Glass & Industries Ltd. | Director |

Note: 1. All appointments are contractual

On behalf of the Board

Place: Kolkata
Dated: 14th May, 2011

Sri A C Chakrabortti
Chairman



Annexure to Directors' Report

Corporate Governance Report

(Pursuant to clause 49 of the Listing Agreement)

1. Company's Philosophy

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

2. Board of Directors

The business of the company is managed by the Board of

Directors ("the Board"). The Managing Director along with Executive Directors manages day to day operations of the Company. As on 31st March 2011 the Board consisted of three executive and five non-executive independent Directors. The Chairman of the Board is a non-executive independent director.

During the financial year under review five Board Meetings were held on following dates: May 20, 2010, July 31, 2010; August 28, 2010; October 27, 2010 and January 29, 2011;

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, 2011 | No. of outside Board Committee membership/ Chairmanship excluding Private Companies as on March 31, 2011 |
|--------------------------|--|--------------------------------|------------------------|--|--|
| Sri A C Chakrabortti | Chairman Non Executive and Independent | 5 | Yes | 11 | 6 (including 3 Chairmanship) |
| Sri Sushil Jhunjunwala | Managing Director | 5 | Yes | 3 | 2 (including 1 Chairmanship) |
| Sri Ajit Jhunjunwala | Deputy Managing Director | 5 | Yes | 1 | Nil |
| Smt. Nidhi Jhunjunwala # | Executive Director | 5 | Yes | Nil | Nil |
| Sri Arun Churiwal | Non Executive and Independent | 4 | Yes | 4 | 1 |
| Sri G Narayana | Non Executive and Independent | 5 | Yes | 3 | Nil |
| Sri Shakir Ali | Non Executive and Independent | 3 | No | 1 | Nil |
| Sri Rajiv Gujral | Non Executive and Independent | 2 | No | 5 | Nil |

Appointed as Executive Director w.e.f. 20th May 2010.

There are no pecuniary relationship or transactions with non-executive directors vis-à-vis the company and except for payment of sitting fees commission.

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 20, 2010, July 31, 2010, October 27, 2010 & January 29, 2011. 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 2011 |
|-----------------------|--|--|
| 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 | 3 |

The role of Audit Committee and terms of reference specified by the Board to the Audit Committee are to overview the accounting systems, financial reporting and internal controls of the company and are wide enough to cover the requirements under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The broad terms are as under:

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

The Company Secretary acts as secretary to the committee. The Managing Director, Dy Managing Director, Statutory Auditor and Internal Auditor are the invitees of all the meetings of the Committee

4. Remuneration Committee

a) Composition:

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

Constitution of Audit Committee and related information are as under:

| Name of the Directors | Category | No. of meetings attended during the financial year ended 31st March 2011 |
|-----------------------|--|--|
| Sri A C Chakrabortti | Chairman Non Executive and Independent | 1 |
| Sri G Narayana | Non Executive and Independent | 1 |
| Sri Arun Churiwal | Non Executive and Independent | 1 |

The Remuneration Committee met on one occasions viz. 20th May 2010

The Remuneration Committee approves the remuneration payable to all executive directors and non-executive directors.

b) Remuneration Policy:

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

c) Remuneration to directors:

The details of the remuneration paid/ payable to the directors during the year 2010-11 are as follows:



Executive Directors' Remuneration details for the financial year ended March 31, 2011

| Name of the Directors | Salary and perquisites | Commission | Total |
|---|------------------------|------------|-------------|
| Sri Sushil Jhunjunwala, Managing Director | 49,84,667 | 13,37,487 | 63,22,154 |
| Sri Ajit Jhunjunwala, Dy. Managing Director | 37,02,333 | 13,37,487 | 50,39,820 |
| Smt Nidhi Jhunjunwala, Executive Director | 14,27,366 | 6,68,743 | 20,96,109 |
| | 1,01,14,366 | 33,43,717 | 1,34,58,083 |

Non-executive Directors' Remuneration details for the financial year ended March 31, 2011

| Name of the Directors | Sitting Fees | Commission | Total |
|-----------------------|--------------|------------|----------|
| Sri A C Chakrabortti | 20,000 | 50,000 | 70,000 |
| Sri G Narayana | 20,000 | 50,000 | 70,000 |
| Sri Shakir Ali | 12,000 | 50,000 | 62,000 |
| Sri Arun Churiwal | 16,000 | 50,000 | 66,000 |
| Sri Rajiv Gujral | 8,000 | 50,000 | 58,000 |
| | 76,000 | 2,50,000 | 3,26,000 |

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 Jhunjunwala Sri Ajit Jhunjunwala 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, 2011 | : 5(Five) |
| No. of complaints resolved to the satisfaction of shareholders during the financial year ended March 31, 2011. | : 5(Five) |
| No. of pending share transfers as on March 31, 2011 | : Nil |

6. General Body Meeting

| AGM for the financial year | Location of holding AGM | Date and time of AGM |
|----------------------------|---|--------------------------------|
| 2009- 2010 | 'Gyan Manch'. 11 Pretoria Street, Kolkata 700 071 | August 28, 2010 12.00 Noon |
| 2008- 2009 | 'Gyan Manch'. 11 Pretoria Street, Kolkata 700 071 | August 29, 2009 11.30 AM |
| 2007- 2008 | 'Gyan Manch'. 11 Pretoria Street, Kolkata 700 071 | September 27, 2008 11.30 AM |



6(a) Special Resolution passed in the last three years

(a) Special Resolution passed at the 21st Annual General Meeting held on September 27, 2008

- (i) Payment of minimum remuneration during the year of inadequacy of profit or absence of profit to Mr Sushil Jhunjunwala, Managing Director of the Company
- (ii) Payment of minimum remuneration during the year of inadequacy of profit or absence of profit to Mr Ajit Jhunjunwala, Dy. Managing Director of the Company
- (iii) Enhancement of remuneration of Mrs. Nidhi Jhunjunwala as Sr. Manager – Product Development of the company, a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company.
- (iv) Enhancement of remuneration of Mrs. Shruti Kishorepuria as Executive – Product Development of the company, a relative of Mr Sushil Jhunjunwala, Managing Director and Mr Ajit Jhunjunwala, Dy. Managing Director of the Company.

(b) Special Resolution passed at the 22nd Annual General Meeting held on August 29, 2009

- (i) Re-appointment of Mr Sushil Jhunjunwala as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2009 with modification of remuneration.

(c) 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.

6(b) Postal Ballot

During the year 2010-11 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.

7. Disclosure

(a) Related Party Disclosure:

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company.

(b) Compliances by the Company

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

(c) Whistle Blower Policy

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

(d) 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.

8. Means of Communication

The annual, half yearly and quarterly results are forthwith being submitted to the Stock Exchanges where shares are listed and are available on their website. The Un-audited results for every quarter and the Audited results for the year end are published in The Business Standard (English) in all edition and Aajkal (vernacular) in Kolkata. The results are also displayed in the Company's website 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.



9. Code of Conduct

The Board of La Opal RG Limited has laid down a code of conduct for all the Board members and the Senior Management. The code of conduct has been posted in the company's website www.laopala.in. All the Board members and the Senior Management personnel have affirmed compliance of the code. A declaration of Managing Director of the Company is attached to this Annual Report.

10. CEO / CFO Certification

The Managing Director and the Chief Financial Officer have furnished the necessary certificate to the Board of Directors with respect to financial statements for the year ended 31st March, 2011.

11. General Shareholders' Information

| | |
|--|--|
| AGM date, time and venue | : 30th July , 2011, 11.30 a.m. Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 |
| Financial Calender 2011-2012 | : First Qtr. Result By first week of August, 11 2nd Qtr. Result By first week of November,11 3rd Qtr. Result By first week of February, 12 Audited Accounts By last week of May, 12 |
| Date of Book Closure | : 21st July, 2011 to 30 th July , 2011 (both days inclusive) |
| Dividend Payment Date | : On or after 30th July 2011 |
| Listing of Stock Exchanges | : The National Stock Exchange Ltd. The Stock Exchange, Mumbai The Calcutta Stock Exchange Association Limited, Kolkata (Applied for delisting) |
| Stock code | |
| The National Stock Exchange Ltd. | : LAOPALA |
| The Stock Exchange, Mumbai: | : 526947 |
| The Calcutta Stock Exchange Association Ltd, Kolkata | : 22016 |
| Demat ISIN No. for CDSL & NSDL | : INE 059D01012 |

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

| Month | Share Price | | Sensex | |
|----------------|-------------|-------|----------|----------|
| | High | Low | High | Low |
| April 2010 | 47.85 | 39.55 | 18047.86 | 17276.80 |
| May 2010 | 45.00 | 39.35 | 17536.86 | 15960.15 |
| June 2010 | 44.00 | 39.80 | 17919.62 | 16318.39 |
| July 2010 | 52.80 | 41.85 | 18237.56 | 17395.58 |
| August 2010 | 57.10 | 51.25 | 18475.27 | 17819.99 |
| September 2010 | 61.85 | 52.05 | 20267.98 | 18027.12 |
| October 2010 | 74.10 | 60.35 | 20854.55 | 19768.96 |
| November 2010 | 84.90 | 63.20 | 21108.64 | 18954.82 |
| December 2010 | 76.25 | 64.75 | 20552.03 | 19074.57 |
| January 2011 | 74.80 | 63.80 | 20664.80 | 18038.48 |
| February 2011 | 72.50 | 58.05 | 18690.97 | 17295.62 |
| March 2011 | 64.30 | 57.95 | 19575.16 | 17792.17 |

Registrar & Share Transfer Agents

: MCS Ltd
 77/2A Hazra Road, Kolkata 700 029
 Telephone nos: 24541892/93, Facsimile nos: 24747674
 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, 2011

| No. of equity Shares held | Shareholder(s) Nos. | Shareholder(s) % | Shareholding(s) Nos. | Shareholding(s) % |
|---------------------------|---------------------|------------------|----------------------|-------------------|
| 1 to 500 | 4611 | 88.9468 | 544817 | 5.1410 |
| 501 to 1000 | 264 | 5.0926 | 218795 | 2.0646 |
| 1001 to 2000 | 164 | 3.1636 | 267149 | 2.5209 |
| 2001 to 3000 | 37 | 0.7137 | 95846 | 0.9044 |
| 3001 to 4000 | 17 | 0.3279 | 62713 | 0.5918 |
| 4001 to 5000 | 17 | 0.3279 | 82886 | 0.7821 |
| 5001 to 10000 | 34 | 0.6559 | 265528 | 2.5056 |
| 10001 to 50000 | 22 | 0.4244 | 442836 | 4.1787 |
| 50001 to 100000 | 4 | 0.0772 | 344127 | 3.2472 |
| 100001 and above | 14 | 0.2701 | 8272835 | 78.0638 |
| | 5184 | 100.0000 | 10597532 | 100.0000 |



Shareholding Pattern as on March 31, 2011

| Category | Number of Equity Shares held | % of Equity Shares held |
|---|------------------------------|-------------------------|
| A. Promoters Holding | | |
| 1. Promoters | | |
| Indian Promoters | 7126132 | 67.243 |
| Foreign Promoters | Nil | Nil |
| 2. Persons acting in concert | 3740 | 0.035 |
| Sub-total | 7129872 | 67.278 |
| B. Non-Promoters Holding | | |
| 3. Institutional Investors | Nil | Nil |
| a. Mutual Funds and UTI | 198462 | 1.873 |
| b. Banks, Financial Institution, Insurance Companies (Central/State Govt. Institution/Non Govt. Institution) | Nil | Nil |
| c. FIIS | Nil | Nil |
| Sub-total | 198462 | 1.873 |
| 4. Others | | |
| a. Private Corporate Bodies | 988041 | 9.323 |
| b. Indian Public | 2039248 | 19.243 |
| c. NRIs/OCBs/Foreign Companies | 240909 | 2.274 |
| d. Any other (specify) Foreign Company | 1000 | 0.009 |
| Sub-total | 3269198 | 30.849 |
| Grand Total | 10597532 | 100.00 |

Dematerialisation of Shares : 36,89,514(34.81%) of the shares issued by the Company have been dematerialised upto 31st March 2011.

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, Sitargunj,
Udham Singh Nagar, Uttarakhand 262 405



Address for correspondence

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

MCS Ltd
77/2A Hazra Road, Kolkata 700 029

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

La Opala RG Ltd
'Chitrakoot', 10th floor,
230A, A.J.C. Bose Road, Kolkata 700 020
Telephone nos: 3053 6656 / 57/58, Facsimile Nos: 3053 6659
E-mail : laopala@eth.net

By Order of the Board

Place: Kolkata
Dated: 14th May, 2011

Sri A C Chakraborti
Chairman

Declaration of Managing Director

I, Sushil Jhunjunwala, Managing Director 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
Managing Director

La Opala RG Limited
Date: 14th May, 2011



CEO / CFO Certification

As required by sub clause V of clause 49 of the Listing Agreements with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2011, the company has complied with the requirements of the said sub clause.

Sushil Jhunjunwala

Managing Director

La Opala RG Limited

Date: 14th May, 2011

Alok Pandey

GM Finance & Secretary

La Opala RG Limited

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, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

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

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

For Doshi, Chatterjee, Bagri & Co.

Chartered Accountants

Firm Registration No.: 325197E

R. K. Bagri

Partner

Membership No. 51956

Kolkata

May 14, 2011



Management Discussion and Analysis

LA OPALA®

Industry Structure & Development

Today India is rated as one of the most attractive investment destination across the globe and in terms of purchasing power Indian economy is considered to be third largest and in terms of nominal GDP it is regarded as 11th largest economy in the world. In the era of post liberalization Indian industries faced increased foreign and domestic competition including the threat of cheaper Chinese product. The Company handled the increased competition by squeezing cost, revamping management, relying on new technology and following aggressive pricing policy, which resulted in increase in turnover by 28.25% and profit after tax by 236.92% compared to previous financial year.

Opportunities and Threat

Indian economy is likely to grow at fast rate due to significantly younger & faster growing population, steady fiscal consolidation, structural change concerning economic governance and rapid investment in building infrastructure. In the financial year 2011-12 Indian economy is expected to grow @ 9% and with the expected increase in disposable income, change in the life style of middle class household, vibrant economy and greater affordability, there exist the opportunity to the Company to grow at a faster rate but at the same time biggest threat to Company is competition from imported products as well as products from unorganized sector and the frequent increase in oil price.

Outlook

The Company is hopeful about its future growth in spite of threats and challenges, and is expected to achieve higher growth in financial year 2011-12 by following aggressive pricing policy, exploring untapped market, introducing new colorful designs and strengthening distribution net work, which in turn, barring unforeseen circumstances, will yield better result.

Risks and concerns

Unhealthy competition from unorganized sector, increased competition from foreign brands, volatile oil price and increase in price of raw materials are the main concerns for the Company which in turn can squeeze market.

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 & nature of the business.

Financial Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India. During the year sales amounted to ₹9850.93 lacs compared to ₹7681.14 lacs in previous year. Profit before tax amounted to ₹1337.48 lacs as compared to ₹447.88 lacs in previous year. The Company's financial position has improved and as a result the profit after tax has increased from ₹276.73 lacs to ₹932.36 lacs.

Industrial Relations

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

Corporate Social Responsibility

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

Cautionary Statement

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

Place: Kolkata

Dated: 14th May, 2011

By Order of the Board

Sri A C Chakrabortti
Chairman



Accounts Section



Auditors' Report

LA OPALA®

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

We have audited the attached Balance Sheet of LA OPALA RG LIMITED [the Company] as at March 31, 2011, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit.

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

R. K. BAGRI
Partner
Membership No. 51956

Kolkata
Date: May 14, 2011

- (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and Cash Flow statement read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Auditors' Report

Annexure referred to in paragraph (1) of the auditors' report of even date to the members of LA OPALA RG LIMITED on the accounts as at and for the year ended March 31, 2011

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, we are of the opinion that the Company has maintained proper records of inventory. As far as we can ascertain and according to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book stocks were not material and the same have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraph 4 (iii) (b), (c) and (d) of the order is not applicable.
- (b) According to the information and explanations given to us, the company has taken unsecured loan of ₹100 lacs from a company covered in the register maintained under Section 301 of the Companies Act, 1956, which was also repaid during the year. Besides, out of unsecured loans of ₹142.80 lacs taken from two directors in earlier year, ₹40 lacs have been repaid during the year. Except for these, the company has not taken any loans, secured or unsecured, from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹200 lacs and the year end balance was ₹102 lacs.
- (c) The rate of interest and other terms and conditions on which above mentioned loans have been taken from the directors are prima facie not prejudicial to the interest of the Company.
- (d) There are no stipulations for repayment of the abovementioned loans.
- (iv) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the underlying internal controls.
- (v) (a) According to the information and explanations given to us, the contracts and arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to information and explanations given to us, the transactions of purchase of services made in pursuance of contract and arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to ₹500000/- or more, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956. Accordingly, paragraph 4 (vi) of the order is not applicable.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-tax/ Value Added Tax, Service tax, Customs duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid dues are there at the year end for a period of more than six months from the date they became payable.



Auditors' Report

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

- (x) The Company does not have any accumulated losses at the end of the reporting financial year and has not incurred cash losses in the financial year and immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks.
- (xii) As the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the order is not applicable.
- (xiii) As the Company is not a Chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the order is not applicable.
- (xiv) The Company has not dealt in shares, securities and other investments during the year. The shares, securities and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, paragraph 4 (xv) of the order is not applicable.
- (xvi) The company has not taken any term loan during the year. Accordingly, paragraph 4 (xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us,

the funds raised on short term basis have not been used for long term investment.

- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly, paragraph 4 (xviii) of the order is not applicable.
- (xix) The Company has not issued any debentures and as such, paragraph 4 (xix) of the order is not applicable.
- (xx) Since the Company has not raised any money by public issue during the year, paragraph 4 (xx) of the order is not applicable.
- (xxi) On the basis of our examination of books of account and according to the information and explanations provided to us by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

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

R. K. BAGRI
Partner
Membership No. 51956

Kolkata
Date: May 14, 2011



Balance Sheet as at 31st March, 2011

| | Schedule | ₹ | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
|--|----------|-------------|--------------------------|--------------------------|
| SOURCES OF FUNDS | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 1 | | 105,975,320 | 105,975,320 |
| Reserves and Surplus | 2 | | 349,160,192 | 274,398,790 |
| | | | 455,135,512 | 380,374,110 |
| Loan Funds | | | | |
| Secured Loans | 3 | 280,537,161 | | 374,582,124 |
| Unsecured Loans | 4 | 10,199,726 | | 15,605,795 |
| | | | 290,736,887 | 390,187,919 |
| Deferred tax Liabilities (Net) | 5 | | 61,510,633 | 66,957,652 |
| | | | 807,383,032 | 837,519,681 |
| APPLICATION OF FUNDS | | | | |
| Fixed Assets | | | | |
| Gross Block | 6 | 797,169,643 | | 776,513,884 |
| Less : Depreciation | | 299,741,458 | | 256,109,868 |
| Net Block | | 497,428,185 | | 520,404,016 |
| Add: Capital Work In Progress including Capital Advances | | 8,188,302 | | 9,771,720 |
| | | | 505,616,487 | 530,175,736 |
| Investments | 7 | | 753,300 | 753,300 |
| Current Assets, Loans & Advances | | | | |
| Inventories | | 227,453,580 | | 231,766,006 |
| Sundry Debtors | | 170,689,960 | | 129,082,944 |
| Cash & Bank Balances | | 5,553,006 | | 11,005,956 |
| Other Current Assets | | 12,832,510 | | 8,283,746 |
| Loans & Advances | | 26,362,019 | | 42,486,127 |
| | | 442,891,075 | | 422,624,779 |
| Less: Current Liabilities & Provisions | 9 | | | |
| Current Liabilities | | 100,930,356 | | 94,365,690 |
| Provisions | | 41,042,474 | | 21,858,444 |
| | | 141,972,830 | | 116,224,134 |
| Net Current Assets | | | 300,918,245 | 306,400,645 |
| Miscellaneous Expenditure (To the extent not written off or adjusted) | 10 | | 95,000 | 190,000 |
| | | | 807,383,032 | 837,519,681 |
| Notes to Accounts | 16 | | | |
| Schedules 01 to 10 & 16 form part of the Balance Sheet This is the Balance Sheet referred to in our report of even date | | | | |

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

R. K. Bagri
Partner
Membership No: 51956

Alok Pandey
G. M. Finance
& Secretary

On behalf of the Board
A C Chakraborti - Chairman
Sushil Jhunjhunwala - Managing Director
Ajit Jhunjhunwala - Dy. Managing Director

Kolkata
Date : May 14, 2011



Profit & Loss Account for the year ended 31st March, 2011

| Schedule | For the year ended 31.03.2011 | For the year ended 31.03.2010 |
|---|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| INCOME | | |
| Net Sales | 985,093,639 | 768,113,692 |
| Export Incentives | 20,007,181 | 10,141,425 |
| | 1,005,100,820 | 778,255,117 |
| Less : Excise Duty | 43,640,649 | 28,484,637 |
| | 961,460,171 | 749,770,480 |
| Other Income | 11 | 4,073,722 |
| | 965,533,893 | 751,123,137 |
| EXPENDITURE | | |
| Material Cost | 165,904,078 | 119,243,254 |
| Packing Material Consumed | 75,115,099 | 52,770,375 |
| Variation In Stock | 12 | 5,552,243 |
| Manufacturing Expenses | 13 | 263,784,153 |
| Administrative, Selling & Distribution Expenses | 14 | 241,155,876 |
| Financial Expenses | 15 | 35,204,198 |
| Depreciation | | 44,974,578 |
| Miscellaneous Expenditure written off | | 95,000 |
| | 831,785,225 | 706,334,924 |
| Profit before Taxation | 133,748,668 | 44,788,213 |
| Provision for Taxation: | | |
| – Income Tax - Current tax | 45,959,210 | 8,136,996 |
| – MAT Credit entitlement | – | (10,642,385) |
| –Deferred tax | (5,447,019) | 19,620,575 |
| Profit after Taxation | 93,236,477 | 27,673,027 |
| Balance brought forward | 153,315,800 | 134,941,710 |
| Profit available for appropriation | 246,552,277 | 162,614,737 |
| APPROPRIATIONS: | | |
| Proposed Dividend | 15,896,298 | 7,948,149 |
| Tax on Proposed Dividend | 2,578,777 | 1,350,788 |
| Transfer to General Reserve | 15,779,829 | – |
| Balance Carried to Balance Sheet | 212,297,373 | 153,315,800 |
| | 246,552,277 | 162,614,737 |
| Notes to Accounts | 16 | |
| Earnings Per Share: Basic & Diluted (in ₹) (Refer Note No. 7 in Schedule 16) | | 8.80 |
| | | 2.61 |
| Schedules 11 to 16 form part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our report of even date. | | |

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

R. K. Bagri
Partner
Membership No: 51956

Alok Pandey
G. M. Finance
& Secretary

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

Kolkata
Date : May 14, 2011



Cash Flow Statement for the year ended March 31, 2011

| | 2010-11 ₹ | 2009-10 ₹ |
|--|----------------------|---------------------|
| A Cash Flow from Operating Activities | | |
| Net Profit before Taxation and Extraordinary Items | 133,748,668 | 44,788,213 |
| Adjustment for : | | |
| Depreciation | 44,974,578 | 42,831,844 |
| (Profit)/Loss on sale of investments | – | 28 |
| Provision for Doubtful Debts/Advances (Net) | 2,031,758 | 2,981,370 |
| Loss on sale of Fixed Assets | 593,624 | 883,083 |
| Interest Income | (267,358) | (262,077) |
| Interest Expenses | 25,247,070 | 40,523,749 |
| Dividend Income | – | (6,392) |
| (Gain)/Loss on Forward Contract | 8,419,634 | 3,199,531 |
| Miscellaneous Expenditure written off | 95,000 | 95,000 |
| Operating Profit before working capital changes | 214,842,974 | 135,034,349 |
| Movements in Working Capital | | |
| Decrease/(Increase) in sundry debtors | (43,638,774) | (11,730,788) |
| Decrease/(Increase) in Inventories | 4,312,426 | 19,203,162 |
| Decrease/(Increase) in Loans & advances | 3,373,385 | (7,956,591) |
| Decrease/(Increase) in Other Current Assets | (4,548,764) | 6,034,193 |
| Increase/(decrease) in Current liabilities | 12,510,965 | 8,821,032 |
| Cash generated from operations | 186,852,212 | 149,405,357 |
| Direct Taxes paid(net of Refunds) | (28,792,955) | (8,627,195) |
| Cash Flow before extraordinary Items | 158,059,257 | 140,778,162 |
| Cash Flow from operating activities | 158,059,257 | 140,778,162 |
| B Cash flow from Investing activities | | |
| Purchase of Fixed Assets | (22,269,180) | (36,356,934) |
| Sale of Fixed Assets | 1,260,227 | 1,356,819 |
| Purchase of Investment | – | (3,004,942) |
| Sale of Investments | – | 3,004,914 |
| Dividend Received | – | 6,392 |
| Interest Received | 267,358 | 262,077 |
| Net cash used in investing activities | (20,741,595) | (34,731,674) |
| C Cash flow from Financing activities | | |
| Proceeds (Repayment of)from Borrowings | (99,362,265) | (55,933,302) |
| Gain/Loss on Forward Contract | (8,419,634) | (3,199,531) |
| Interest Paid | (25,813,606) | (39,810,245) |
| Dividend paid (including dividend distribution tax) | (9,175,107) | – |
| Net Cash used in Financing activities | (142,770,612) | (98,943,078) |
| Net Increase/(Decrease) in cash or cash equivalents (A+B+C) | (5,452,950) | 7,103,410 |
| Cash or Cash equivalents at the beginning of the year | 11,005,956 | 3,902,546 |
| Cash or Cash equivalents at the end of the year | 5,553,006 | 11,005,956 |
| Components of cash and cash equivalents as at | 31.03.2011 | 31.03.2010 |
| Cash in hand | 363,635 | 520,841 |
| With banks | 5,189,371 | 10,485,115 |
| | 5,553,006 | 11,005,956 |

Notes:

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statement(AS 3) issued by The Institute of Chartered Accountants of India. As per our Report of even date

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

R. K. Bagri
Partner
Membership No: 51956

Kolkata

Date : May 14, 2011

Alok Pandey
G. M. Finance
& Secretary

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



Schedules forming part of the Balance Sheet

| | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
|--|--------------------------|--------------------------|
| SCHEDULE: 01 | | |
| Share Capital | | |
| Authorised | | |
| 150,00,000 (150,00,000) Equity Shares of ₹10 each | 150,000,000 | 150,000,000 |
| Issued, Subscribed & Paid Up | | |
| 10,597,532 (10,597,532) Equity Shares of ₹10 each fully paid up | 105,975,320 | 105,975,320 |
| Of the above shares - | | |
| 6,00,000 Equity Shares have been allotted as fully paid up Bonus Shares by capitalisation of Revaluation Reserve | | |
| 60,48,766 Equity Shares have been allotted as fully paid up Bonus Shares by capitalisation of Free Reserve | | |
| 19,23,766 Equity Shares have been allotted as fully paid up Shares for consideration otherwise than in cash in terms of Scheme of Amalgamation | | |
| SCHEDULE: 02 | | |
| Reserves & Surplus | | |
| (1) Capital Reserve: | | |
| (a) Capital Revaluation Reserve: | | |
| Balance as per last account | 1,214,135 | 1,214,135 |
| (b) Subsidy: | | |
| Balance as per last account | 1,311,344 | 1,311,344 |
| (2) Securities Premium: | | |
| Balance as per last account | 14,337,340 | 14,337,340 |
| (3) General Reserve: | | |
| Balance as per last account | 120,000,000 | 104,220,171 |
| (4) Profit & Loss Account | | |
| Balance as per annexed accounts | 212,297,373 | 153,315,800 |
| | 349,160,192 | 274,398,790 |
| SCHEDULE: 03 | | |
| Secured Loans | | |
| Term Loan (Including Foreign Currency Term Loan) | 175,555,616 | 224,959,868 |
| (Secured against mortgage of fixed assets of Madhupur and Sitargunj Units.) | | |
| Working Capital Loan | | |
| (Secured against hypothecation of entire current assets including inventory and receivables) | | |
| Cash Credit | 104,981,545 | 139,740,119 |
| Buyers' Credit | - | 9,558,329 |
| Other Loans | | |
| (Secured against the fixed assets purchased thereagainst) | | |
| | - | 323,808 |
| | 280,537,161 | 374,582,124 |

Note : Amount falling due for payment within one year ₹4,84,00,000/- (P.Y.- ₹46,542,856/-).



Schedules forming part of the Balance Sheet

| | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
|------------------------|--------------------------|--------------------------|
| SCHEDULE: 04 | | |
| Unsecured Loans | | |
| From Directors | 10,199,726 | 14,279,614 |
| Deferred Sales Tax | – | 1,326,181 |
| | 10,199,726 | 15,605,795 |

| | | |
|---------------------------------------|-------------------|-------------------|
| SCHEDULE: 05 | | |
| Deferred Tax Liabilities (Net) | 61,510,633 | 66,957,652 |

SCHEDULE: 06 Fixed Assets

| Description | Gross Block | | | | Depreciation | | | | Net Block | |
|-------------------------------------|--------------------------|--------------------------------|----------------------------|--------------------------|-------------------------|----------------------|----------------------------|-------------------------|--------------------------|--------------------------|
| | As at 01.04.2010 ₹ | Additions/ Adjustments ₹ | Sales/ Adjustments ₹ | As at 31.03.2011 ₹ | Upto 31.03.2010 ₹ | For the year ₹ | Sales/ Adjustments ₹ | Upto 31.03.2011 ₹ | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
| Tangible Assets | | | | | | | | | | |
| Land | 2,626,696 | 186,860 | – | 2,813,556 | – | – | – | – | 2,813,556 | 2,626,696 |
| Land (Lease Hold) | 28,799,042 | – | – | 28,799,042 | 1,251,396 | 327,262 | – | 1,578,658 | 27,220,384 | 27,547,646 |
| Building | 150,698,668 | 377,685 | – | 151,076,353 | 30,641,861 | 4,452,686 | – | 35,094,547 | 115,981,806 | 120,056,807 |
| Plant & Machinery | 565,212,890 | 19,767,394 | – | 584,980,284 | 212,324,440 | 38,197,050 | – | 250,521,490 | 334,458,794 | 352,888,450 |
| Furniture & Fixture | 19,508,625 | 121,430 | 79,050 | 19,551,005 | 7,429,042 | 1,243,844 | 17,564 | 8,655,322 | 10,895,683 | 12,079,583 |
| Vehicle | 4,505,667 | 3,244,132 | 3,117,791 | 4,632,008 | 1,935,595 | 452,528 | 1,325,426 | 1,062,697 | 3,569,311 | 2,570,072 |
| Office & Other Equipment | 5,062,832 | 121,825 | – | 5,184,657 | 2,508,536 | 261,961 | – | 2,770,497 | 2,414,160 | 2,554,296 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 99,466 | 33,272 | – | 132,738 | 19,000 | 39,247 | – | 58,247 | 74,491 | 80,466 |
| Total - This Year | 776,513,886 | 23,852,598 | 3,196,841 | 797,169,643 | 256,109,870 | 44,974,578 | 1,342,990 | 299,741,458 | 497,428,185 | 520,404,016 |
| Previous Year's Total | 753,854,556 | 26,780,549 | 4,121,219 | 776,513,886 | 214,068,688 | 42,831,844 | 790,662 | 256,109,870 | 520,404,016 | |
| Capital Work-in-progress | | | | | | | | | 8,188,302 | 9,771,720 |

| | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
|---|--------------------------|--------------------------|
| SCHEDULE: 07 | | |
| Investments | | |
| Other than trade (at cost) | | |
| LONG TERM INVESTMENT QUOTED * | | |
| A. Equity Shares (of ₹10 each fully paid up) | | |
| Genesis Exports Ltd. | 75,330 | 879,983 |
| | (75,330) | |
| Total | 879,983 | 879,983 |
| Less: Diminution in Value of Investment | 126,683 | 126,683 |
| | 753,300 | 753,300 |

* Listed but Quotations not available.

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

Name of the Fund (Face Value)

HDFC Cash Management Fund (₹10)

| | | |
|----------|---|-------------|
| Purchase | – | 299,879.658 |
| Sale | – | 299,879.658 |



Schedules forming part of the Balance Sheet

| | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
|--|--------------------------|--------------------------|
| SCHEDULE: 08 | | |
| Current Assets, Loans & Advances | | |
| A. Inventories | | |
| Raw Materials | 37,871,833 | 54,387,081 |
| Finished Goods | 39,910,322 | 35,670,624 |
| Semi Finished Goods | 99,351,613 | 109,143,554 |
| Packing Materials | 10,617,458 | 7,206,703 |
| Stock in Transit | 10,137,993 | 382,418 |
| Stores (Including Oil & Repair Stocks) | 29,564,361 | 24,975,626 |
| | 227,453,580 | 231,766,006 |
| B. Sundry Debtors (Considered Good except otherwise stated) | | |
| Exceeding 6 Months | | |
| Secured | 646,582 | 926,009 |
| Unsecured (Including ₹44,07,336/- considered doubtful) | 8,024,657 | 10,229,076 |
| | 8,671,239 | 11,155,085 |
| Other Debts | | |
| Secured | 5,869,418 | 4,794,991 |
| Unsecured | 160,556,639 | 115,972,638 |
| | 166,426,057 | 120,767,629 |
| | 175,097,296 | 131,922,714 |
| Less:- Provision for doubtful debts | 4,407,336 | 2,839,770 |
| | 170,689,960 | 129,082,944 |
| C. Cash & Bank Balances | | |
| Cash in Hand | 363,635 | 520,841 |
| With Scheduled Bank: On Current Account | 3,194,872 | 8,316,133 |
| : On Unpaid Dividend Account | 997,619 | 873,789 |
| : On Margin Account | 996,880 | 1,295,193 |
| | 5,553,006 | 11,005,956 |
| D. Other Current Assets | | |
| Interest Receivable | 276,094 | 252,950 |
| Export Incentives Receivable (Including Licence in Hand) | 12,462,749 | 8,030,796 |
| Insurance Claim Receivable | 93,667 | - |
| | 12,832,510 | 8,283,746 |
| E. Loans & Advances(Unsecured ,considered good except otherwise stated) | | |
| Advances recoverable in cash or in kind or for value to be received or pending adjustments (including ₹1,41,600 considered doubtful) | 22,601,510 | 27,977,448 |
| Balances with Customs, Excise, Port Trust etc. | 3,902,109 | 3,014,556 |
| Advance Payment of Taxation (Including MAT Credit Entitlement) (net of Provisions) | - | 12,750,723 |
| | 26,503,619 | 43,742,727 |
| Less: Provision for Doubtful Advances | 141,600 | 1,256,600 |
| | 26,362,019 | 42,486,127 |
| | 442,891,075 | 422,624,779 |



Schedules forming part of the Balance Sheet

| | As at 31.03.2011 ₹ | As at 31.03.2010 ₹ |
|---|--------------------------|--------------------------|
| SCHEDULE: 09 | | |
| Current Liabilities & Provisions | | |
| Current Liabilities | | |
| Sundry Creditors For Goods & Services | 31,025,101 | 39,528,997 |
| For Expenses & Other Finance | 55,690,659 | 41,853,039 |
| Advance from Customers | 5,436,521 | 4,868,057 |
| Security Deposits | 6,516,000 | 5,721,500 |
| Interest Accrued but not due | 1,264,456 | 1,520,308 |
| Unclaimed dividend (Note 1) | 997,619 | 873,789 |
| | 100,930,356 | 94,365,690 |
| Provisions | | |
| For Taxation (Net of Advances etc.) | 4,415,531 | – |
| For Proposed Dividend | 15,896,298 | 7,948,149 |
| For Dividend Tax | 2,578,777 | 1,350,788 |
| For Gratuity | 13,821,158 | 10,094,366 |
| For Excise Duty | 4,330,710 | 2,465,141 |
| | 41,042,474 | 21,858,444 |
| | 141,972,830 | 116,224,134 |

Note 1 : There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

SCHEDULE: 10

Miscellaneous Expenditure

(To the extent not written off or adjusted)

| | | |
|---------------------------------|---------|---------|
| Share Issue Expenses | | |
| Opening Balance | 190,000 | 285,000 |
| Less: Amortised during the year | 95,000 | 95,000 |
| | 95,000 | 190,000 |

Schedules forming part of Profit and Loss Account

| | For the year ended 31.03.2011 ₹ | For the year ended 31.03.2010 ₹ |
|---|--|--|
| SCHEDULE: 11 | | |
| Other Income | | |
| Interest (Gross) (Tax Deducted at Source ₹55,436/-) (P.Y. ₹5,730) | 267,358 | 262,077 |
| Dividend on Current Investments | – | 6,392 |
| Miscellaneous Receipts | 2,551,732 | 567,089 |
| Insurance Claim Received | 288,079 | 217,059 |
| Gain on forward Contract | 2,143 | – |
| Recovery against Provision for doubtful debt/advances | 750,000 | – |
| Sundry Balances written back | 214,410 | 300,040 |
| | 4,073,722 | 1,352,657 |

**Schedules forming part of Profit and Loss Account**

| | For the year ended 31.03.2011 ₹ | For the year ended 31.03.2010 ₹ |
|---------------------------|--|--|
| SCHEDULE: 12 | | |
| Variation in Stock | | |
| Opening Stock | | |
| Finished Goods | 35,670,624 | 33,472,314 |
| Semi Finished Goods | 109,143,554 | 121,477,537 |
| | 144,814,178 | 154,949,851 |
| Less: Closing Stock | | |
| Finished Goods | 39,910,322 | 35,670,624 |
| Semi Finished Goods | 99,351,613 | 109,143,554 |
| | 139,261,935 | 144,814,178 |
| | 5,552,243 | 10,135,673 |

SCHEDULE: 13**Manufacturing Expenses**

| | | |
|--|-------------|-------------|
| Wages & Allowances | 47,797,603 | 43,220,913 |
| Stores & Spare Parts (Including Oil & Repairs Stock) | 26,702,657 | 22,694,169 |
| Power & Fuel | 159,733,341 | 128,135,758 |
| Repairs to Plant & Machinery | 9,907,926 | 21,869,542 |
| Repairs to Building | 900,413 | 963,337 |
| Repairs to Others | 1,911,319 | 1,030,091 |
| Handling & Other Charges | 15,448,201 | 9,028,871 |
| Processing Charges | 1,382,693 | 1,095,958 |
| | 263,784,153 | 228,038,639 |



Schedules forming part of Profit and Loss Account

| | For the year ended 31.03.2011 ₹ | For the year ended 31.03.2010 ₹ |
|---|--|--|
| SCHEDULE: 14 | | |
| Administrative, Selling and Distribution Expenses | | |
| Salary & Allowances | 55,838,066 | 48,601,777 |
| Employer's Contribution to Provident Fund | 6,780,836 | 6,314,659 |
| Employer's Contribution to Employees' State Insurance Corporation | 1,363,268 | 1,165,546 |
| Gratuity | 4,636,128 | 1,787,070 |
| Staff Welfare | 2,524,675 | 2,306,608 |
| Rent | 3,784,714 | 3,388,250 |
| Rates & Taxes | 1,824,060 | 1,181,713 |
| Insurance | 1,445,019 | 1,357,413 |
| Travelling | 10,631,344 | 12,298,982 |
| Donation | 200,000 | 80,000 |
| Auditors' Remuneration | 425,000 | 367,500 |
| Directors' Commission | 3,593,717 | 150,000 |
| Miscellaneous Expenses | 22,154,580 | 22,552,726 |
| Transport Charges | 29,075,404 | 22,602,972 |
| Advertisement and Sales Promotion | 77,006,458 | 59,141,750 |
| Transit Loss | 2,364,511 | 2,192,852 |
| Discount | 6,501,975 | 7,619,128 |
| Brokerage & Commission | 4,688,673 | 5,883,373 |
| Loss on sale/ discard of assets (Net) | 593,624 | 883,083 |
| Loss on sale of current investments | – | 28 |
| Loss on Foreign Exchange Fluctuation (Net) | 319,676 | 2,659,049 |
| Provision for Doubtful Advances | – | 141,600 |
| Provision for Doubtful Debt | 2,031,758 | 2,839,770 |
| Variation in excise duty on inventories | 1,865,569 | 1,068,261 |
| Loss on sale of DEPB Licence | 174,139 | 214,618 |
| Irrecoverable doubt / advances written off | 1,882,085 | |
| Less : Adjusted against Provision | (829,192) | – |
| Prior Period Adjustments | 279,789 | 576,691 |
| | 241,155,876 | 207,375,419 |

SCHEDULE: 15

Financial Expenses

| | | |
|------------------------------|------------|------------|
| Interest on Fixed Bank Loans | 16,276,965 | 26,174,573 |
| Interest on Working Capital | 7,193,562 | 10,770,197 |
| Interest to Others | 1,776,543 | 3,578,979 |
| Bank Charges | 1,535,351 | 2,121,440 |
| Loss on Forward Contracts | 8,421,777 | 3,199,531 |
| | 35,204,198 | 45,844,720 |



Schedules forming part of Balance Sheet and Profit & Loss Account

Schedule 16 : Notes to Accounts

1.0 Nature of Operations

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

2.0 Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) 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 realization. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Fixed Assets

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

Fixed Assets are classified as tangible and intangible assets.

(c) Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal or external factors. An impairment loss is recognized 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 recognized immediately as income in the Profit and Loss Account.

(d) Depreciation

Depreciation on tangible fixed assets (other than the

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

(e) Borrowing Costs

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

(f) Expenditure on New Projects

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

(g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized 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 Profit & Loss Account. Lease management fees, legal charges and other initial direct costs are capitalized.

Capitalized 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



Schedules forming part of Balance Sheet and Profit & Loss Account

rentals are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(h) Grants and Subsidies

Grants and subsidies from the government are recognized 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 recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy

relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

(i) Investments

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

(j) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

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

Work-in-progress and finished goods

Lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete the sale. In case of transfer of materials from one division to other, the transfer price is considered as the cost.

(k) Revenue recognition

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

Sale of Goods

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

Interest

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

Dividends

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

(l) Foreign currency transaction

Foreign exchange transactions

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

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

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of



Schedules forming part of Balance Sheet and Profit & Loss Account

profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

(m) Employee Benefits

i. Short Term Employee Benefits.

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

ii. Post Employment Benefits

(a) Defined contribution plans

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

(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 fair value of the plan asset is reduced from the gross obligation to recognize the obligation on net basis. Contribution made and actuarial gain / loss are recognized in the Profit & Loss Account of the year.

(n) 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 in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax

rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company write downs 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 realized.

(o) Earnings Per Share

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

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

(p) Provisions

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

(q) Contingencies

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



Schedules forming part of Balance Sheet and Profit & Loss Account

3.0 Disclosure under AS-15 (Revised 2005)

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:

| | 2010-11 | 2009-10 |
|--|------------------|------------------|
| Discount Rate | 8% | 8% |
| Rate of increase in compensation level | 5% | 5% |
| Rate of Return on plan assets | 8% | 8% |
| Expected Average remaining working lives of employees (years) | 17.40 to 26.03 | 17.40 to 27.20 |
| Change in the present value of obligation | (₹ lakhs) | (₹ lakhs) |
| Present value of obligation (Opening) | 162.90 | 146.08 |
| Current Service Cost | 18.09 | 15.28 |
| Interest cost | 14.98 | 12.36 |
| Actuarial (gains)/losses | 19.50 | (4.51) |
| Benefits paid | (3.90) | (6.31) |
| Present value of obligation (Closing) | 211.57 | 162.90 |
| Change in the Fair Value of Plan Assets | | |
| Fair value of Plan Assets (Opening) | 61.96 | 53.83 |
| Actual Return on Plan Assets | 5.41 | 4.63 |
| Actual Company contribution | 9.09 | 9.18 |
| Actuarial Gains / (Loss) | 0.80 | 0.63 |
| Benefits paid | (3.90) | (6.31) |
| Fair value of Plan Assets (Closing) | 73.36 | 61.96 |
| Reconciliation of present value of obligation and the fair value of Plan Assets | | |
| Present value of Closing funded obligation | 202.93 | 154.63 |
| Present value of Closing unfunded obligation | 8.64 | 8.27 |
| TOTAL | 211.57 | 162.90 |
| Fair value of plan assets (closing) (to the extent funded) | 73.36 | 61.96 |
| Unfunded Net Liability recognized in the Balance Sheet | 138.21 | 100.94 |
| Expenses recognized in the Profit and Loss Account | | |
| Current Service Cost | 18.09 | 15.28 |
| Interest cost | 14.98 | 12.36 |
| Expected Return on Plan Asset | (5.41) | (4.63) |
| Actuarial Losses (Gains) on Obligation | 19.50 | (4.51) |
| Actuarial Losses (Gains) on Plan Asset | (0.80) | (0.63) |
| Total Expenses recognized in Profit & Loss Account | 46.36 | 17.87 |

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 ₹8.59 lakhs for employees of Sitargunj unit has not been funded.
- The company expects to contribute ₹11.65 lacs during the year 2011-12.



Schedules forming part of Balance Sheet and Profit & Loss Account

5. Amount for the current year and previous three years are as follows :

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|--------------------------------|---------------|---------------|---------------|---------------|
| Defined Benefits Obligations : | | | | |
| Unfunded | 8.64 | 8.27 | 4.76 | 1.30 |
| Funded | 202.93 | 154.63 | 141.32 | 128.60 |
| | 211.57 | 162.90 | 146.08 | 129.90 |
| Fair Value of Plan Assets | 73.36 | 61.96 | 53.83 | 50.43 |
| Deficit | 138.21 | 100.94 | 92.25 | 79.47 |

4.0 Segment Information

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

| | 2010-11 ₹ | 2009-10 ₹ |
|----------------|---------------------|---------------------|
| Export Sales | 18,29,38,130 | 17,65,26,754 |
| Domestic Sales | 80,21,55,509 | 59,15,86,938 |
| Total | 98,50,93,639 | 76,81,13,692 |

5.0 Related Party Disclosure

| | |
|---------------------------------------|---|
| Associates | Genesis Exports Ltd. Ishita Housing (P) Ltd. SKJ Estate (P) Ltd. Anuradha Designers (P) Ltd |
| Key Management Personnel | Sushil Jhunjunwala - Managing Director Ajit Jhunjunwala - Dy. Managing Director Nidhi Jhunjunwala - Whole Time Director |
| Relatives of key management personnel | Shruti Kishorepuria. Himansh u Jhunjunwala. |

| | Associates | | Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) | | Relatives of Key Management Personnel | |
|--|----------------|----------------|---|----------------|--|----------------|
| | 2010-11 (₹) | 2009-10 (₹) | 2010-11 (₹) | 2009-10 (₹) | 2010-11 (₹) | 2009-10 (₹) |
| Rent paid | 27,38,000 | 22,14,000 | - | - | - | - |
| Loan Received | 1,00,00,000 | - | - | 3,63,038 | - | - |
| Loan refunded | 1,00,00,000 | 2,42,77,225 | 40,00,000 | - | - | - |
| Interest paid | 1,16,630 | 16,97,425 | 9,63,123 | 12,50,511 | - | - |
| Remuneration | - | - | 134,58,083 | 70,53,603 | 8,44,933 | 11,02,350 |
| Balance outstanding as at the year end: | | | | | | |
| Receivable | 40,00,000 | 40,00,000 | - | - | - | - |
| Payable | - | - | 1,26,96,943 | 1,45,28,614 | 29,883 | 17,025 |



Schedules forming part of Balance Sheet and Profit & Loss Account

6.0 Lease:

In case of asset taken on lease:

Operating Lease:

Land at Sitargunj was taken on lease during 2006-07 for 90 years. The annual lease rent is required to be paid @ ₹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 @ ₹1,84,500 per month. There is an escalation clause of 15% after every three years. There are no restriction imposed on lease arrangements. There is no sub lease.

Operating Lease

| | 2010-11 ₹ | 2009-10 ₹ |
|---|--------------|--------------|
| Lease payment for the year | 29,40,485 | 24,16,485 |
| Minimum Lease payment not later than 1 year | 32,02,485 | 24,16,485 |
| Later than one year but not later than Five years | 1,41,59,940 | 1,13,76,155 |
| Later than Five years | 1,61,98,350 | 1,64,00,835 |

| | 2010-11 ₹ | 2009-10 ₹ |
|---|--------------|--------------|
| 7.0 Earning per Share (EPS) | | |
| Net Profit as per Profit and Loss Account | 9,32,36,477 | 2,76,73,027 |
| Weighted average number of Equity Shares | 1,05,97,532 | 1,05,97,532 |
| Earnings per Share :(Basic and Diluted) (₹) | 8.80 | 2.61 |
| Nominal Value of shares (₹) | 10 | 10 |

8.0 Deferred Tax Liability (net)

| | | |
|---|--------------------|--------------------|
| Deferred Tax Liabilities | | |
| Timing differences on account of depreciation | 6,75,65,683 | 6,91,66,662 |
| Gross Deferred Tax Liabilities | 6,75,65,683 | 6,91,66,662 |
| Deferred Tax Assets | | |
| Provision for doubtful debts | 14,64,007 | – |
| Expenses allowable under Income Tax on payments | 45,91,043 | 22,09,010 |
| Gross Deferred Tax Assets | 60,55,050 | 22,09,010 |
| Net Deferred Tax Liability | 6,15,10,633 | 6,69,57,652 |

9(a) Contingent Liabilities not provided for

| | | |
|----------------------|-------------|-------------|
| Letter of credit | 31,09,574 | 11,73,802 |
| Disputed Rent | 5,76,000 | 5,52,000 |
| Disputed Income tax | 70,66,255 | 70,66,255 |
| Disputed Excise duty | 58,59,993 | 58,59,993 |
| Disputed Sales Tax | 1,95,09,713 | 1,95,09,713 |

9(b) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹12,64,800



Schedules forming part of Balance Sheet and Profit & Loss Account

10.0 Micro, Small & Medium Enterprises

There were no dues outstanding to the suppliers as on 31.03.2011 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/ information.

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

| | 2010-11 ₹ | 2009-10 ₹ |
|-------------------------------------|-------------------|------------------|
| 11.1 Directors' Remuneration | | |
| Managing/Wholetime Director | | |
| Salaries and perquisites | 94,64,876 | 65,92,803 |
| Contribution to Provident fund | 6,49,490 | 4,60,800 |
| Commission to Whole-time Directors | 33,43,717 | – |
| | 134,58,083 | 70,53,603 |
| Non-Executive Directors | | |
| Sitting Fees | 76,000 | 1,24,000 |
| Commission | 2,50,000 | 1,50,000 |
| | 3,26,000 | 2,74,000 |
| | 137,84,083 | 73,27,603 |

As the future liability of gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to the directors is not included above.

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

| | | |
|--|---------------------|--------------------|
| Profit before taxation as per Profit and Loss Account | 13,37,48,668 | 4,47,88,213 |
| <i>Add:</i> | | |
| Directors' remuneration | 1,37,84,083 | 73,27,603 |
| Loss on sale of fixed assets and investments | 5,93,624 | 8,83,111 |
| Provision for doubtful debts | 20,31,758 | 28,39,770 |
| Provision for doubtful advances | – | 1,41,600 |
| | 15,01,58,133 | 5,59,80,297 |
| <i>Less:</i> | | |
| Recovery /adjustment against provision for doubtful debts / advances | 15,79,192 | – |
| Net profit as per Section 349 of the Companies Act, 1956 | 14,85,78,941 | 5,59,80,297 |
| (a) Commission to Managing and Whole time Directors @10% of the net profits as calculated above. | 1,48,57,894 | 55,98,030 |
| Commission Paid | 33,43,717 | – |
| (b) Commission to Other Directors @1% of the net profits as calculated above. | 14,85,789 | 559,803 |
| Commission Paid | 250,000 | 150,000 |

11.3 Earnings in foreign currency

| | | |
|-------------------------|---------------------|---------------------|
| Exports at F.O.B. Value | 17,92,43,596 | 17,26,62,227 |
| Others | 220,865 | 401,509 |
| | 17,94,64,461 | 17,30,63,736 |



Schedules forming part of Balance Sheet and Profit & Loss Account

| | 2010-11 ₹ | 2009-10 ₹ |
|---|------------------|------------------|
| 11.4 Expenditure in foreign currency | | |
| Travelling | 18,63,679 | 27,27,548 |
| Technical Fee | 5,75,711 | – |
| Others | 17,29,538 | 22,66,997 |
| | 41,68,928 | 49,94,545 |

| | | |
|--|--------------------|--------------------|
| 11.5 Value of imports calculated on CIF basis | | |
| Raw materials | 4,40,35,004 | 3,55,05,563 |
| Components Refractories and spare parts | 1,65,63,394 | 1,92,86,705 |
| Capital goods | 14,66,905 | 2,31,83,826 |
| | 6,20,65,303 | 7,79,76,094 |

12.1 Licensed Capacity, Installed Capacity and Actual Production

| Class of Goods | Licensed Capacity | | Installed Capacity | | Actual Production | |
|---------------------|-------------------|---------|--------------------|---------|-------------------|-----------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Glass and Glassware | N.A | N.A | 8580 MT | 8580 MT | 2,70,22,689 Pcs | 2,00,46,896 Pcs |
| Wind Mill | N.A | N.A | 600 Kwh | 600 Kwh | 7,87,982 Units | 9,21,895 Units |

12.2 Sales and Stock

| | Quantity (pcs) | | Value (₹) | |
|----------------------------|----------------|-------------|--------------|--------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Glass and Glassware | | | | |
| Opening Stock | 16,11,504 | 13,24,309 | 3,53,67,813 | 3,31,73,323 |
| Sales | 2,66,33,836 | 1,98,01,509 | 98,20,53,523 | 76,46,88,600 |
| Closing Stock | 20,00,357 | 16,11,504 | 3,97,78,186 | 3,53,67,813 |

| | Quantity (unit) | | Value (₹) | |
|------------------|-----------------|----------|-----------|-----------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Wind Mill | | | | |
| Sales | 7,87,982 | 9,21,895 | 29,82,355 | 34,27,975 |

| | Quantity (pcs) | | Value (₹) | |
|--------------------------------------|----------------|---------|-----------|----------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| 12.3 Details of Trading Goods | | | | |
| Opening Stock | 1569 | 5371 | 3,02,811 | 2,98,991 |
| Sales (net of return) | 253 | 3802 | 57,761 | (2,883) |
| Closing Stock | 1316 | 1569 | 1,32,136 | 3,02,811 |

| | Quantity | | Value (₹) | |
|---|----------|----------|---------------------|---------------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| 12.4 Consumption of Raw Materials and Components | | | | |
| Transfer Paper - Sheet | 6,75,043 | 4,54,318 | 4,12,90,915 | 2,89,58,316 |
| Chemicals M/T | 8013 | 5543 | 12,37,60,693 | 9,02,84,938 |
| Others | 21 | – | 8,52,470 | – |
| Total | | | 16,59,04,078 | 11,92,43,254 |



Schedules forming part of Balance Sheet and Profit & Loss Account

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

| | Percentage of total consumption | | Value (₹) | |
|----------------------|---------------------------------|------------|---------------------|---------------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Raw Materials | | | | |
| Imported | 32 | 40 | 5,33,13,734 | 4,76,72,754 |
| Indigenous | 68 | 60 | 11,25,90,344 | 7,15,70,500 |
| | 100 | 100 | 16,59,04,078 | 11,92,43,254 |
| Stores | | | | |
| Imported | 43 | 51 | 1,14,60,842 | 1,15,45,029 |
| Indigenous | 57 | 49 | 1,52,41,815 | 1,11,49,140 |
| | 100 | 100 | 2,67,02,657 | 2,26,94,169 |

| | 2010-11 ₹ | 2009-10 ₹ |
|--|-----------------|-----------------|
| 13.0 Amount payable to Auditors | | |
| Statutory Audit | 2,50,000 | 1,75,000 |
| Tax Audit | 70,000 | 50,000 |
| Limited Review | 90,000 | 60,000 |
| Others | 15,000 | 82,500 |
| | 4,25,000 | 3,67,500 |

14(a) Particulars of unhedged foreign currency exposure as at 31.03.2011 is as follows:

| | Currency in | | | |
|------------------------|-------------|----------|------------|---------------|
| | Pound | Euro | USD | INR |
| Sundry Debtors | 20,251 | – | 3,21,594 | 1,57,90,603 |
| | (19,684) | (14,985) | (3,61,529) | (1,75,33,777) |
| Sundry Creditors | 14,308 | – | 2,341 | 7,42,328 |
| | – | (28,750) | (41,973) | (36,28,372) |
| Advances from customer | 404 | – | 105,972 | 47,53,983 |
| | (3,317) | (6,693) | (80,740) | (42,55,383) |
| Term Loan | – | – | 5,00,000 | 2,25,55,000 |

14(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 | 6 | 42,38,000 | For Loan Repayment |
| | (5) | (55,12,657) | For Loan Repayment |
| Euro | – | – | – |
| | (1) | (58,246.48) | For Loan Repayment |



Schedules forming part of Balance Sheet and Profit & Loss Account

15.0 In accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" the following provisions are in the books of accounts as at March 31st, 2011.

| Description | As at 01.04.2010 | Additions during the year | Utilized/Reversed during the year | As at 31.03.2011 |
|---------------------------|----------------------------|------------------------------|--------------------------------------|------------------------------|
| Provision for Gratuity | 1,00,94,366 (92,25,651) | 46,36,128 (17,87,070) | 9,09,336 (9,18,355) | 1,38,21,158 (1,00,94,366) |
| Provision for Excise Duty | 24,65,141 (13,96,880) | 43,30,710 (24,65,141) | 24,65,141 (13,96,880) | 43,30,710 (24,65,141) |

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

17.0 Previous year Comparative

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

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

R. K. Bagri
Partner
Membership No: 51956

Alok Pandey
G. M. Finance
& Secretary

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

Kolkata
Date : May 14, 2011



Schedules forming part of Balance Sheet and Profit & Loss Account

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956

A. Registration Details

| | |
|--------------------|------------|
| Registration No. | 42512 |
| State Code | 21 |
| Balance Sheet Date | 31.03.2011 |

(₹ thousand)

B. Capital raised during the year

| | |
|-------------------|-----|
| Public Issue | Nil |
| Rights Issue | Nil |
| Bonus Issue | Nil |
| Private Placement | Nil |

C. Position of Mobilisation and Deployment of Funds

| | |
|------------------------------|----------------|
| Total Liabilities | 807,383 |
| Total Assets | 807,383 |
| Source of Funds | |
| Paid-up Capital | 105,975 |
| Reserves and Surplus | 349,160 |
| Secured Loans | 280,537 |
| Unsecured Loans | 10,200 |
| Deferred Tax Liability (Net) | 61,511 |
| Total | 807,383 |

| | |
|---------------------------|----------------|
| Application of Funds | |
| Net Fixed Assets | 505,617 |
| Investments | 753 |
| Net Current Assets | 300,918 |
| Miscellaneous expenditure | 95 |
| Total | 807,383 |

D. Performance of the Company

| | |
|--------------------------|----------|
| Turnover/Income | 1009,174 |
| Total Expenditure | 875,425 |
| Profit/(Loss) before tax | 133,749 |
| Profit/(Loss) after tax | 93,236 |
| Earnings per share (₹) | 8.80 |
| Dividend Rate | 15% |

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

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



LA OPALA RG LIMITED

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

PROXY

I, We of.....

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

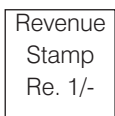
.....of

or failing him.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, July 30, 2011 at 11.30 a.m. at 'Kala Kunj', 48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof.

Signed



.....
Regd. Folio No.

Date

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



Please cut here and bring the following attendance slip at the meeting.



LA OPALA RG LIMITED

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

ADMISSION SLIP

24TH Annual General Meeting

Date: 30th July, 2011

Place: Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017

Time: 11.30 a.m.

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.

