BRAND
AT WORK

Overtime. Over time.

La Opala RG Limited | Annual Report 2013-14

Forward-looking statement

Statements in this report, which describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities, laws and regulations. The Company cautions that such statements involve risks and uncertainties and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in the government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

contents

IN ANY MANUFACTURING OPERATION, THE GENERAL BELIEF IS THAT A CORPORATE'S BIGGEST ASSET LIES IN ITS PLANT AND MACHINERY.

AT LA OPALA RG, OUR BIGGEST ASSET IS OUR BRAND. AND AT NO TIME IN OUR EXISTENCE WAS THE STRENGTH OF OUR BRAND MOST VISIBLY SHOWCASED THAN DURING A CHALLENGING 2013-14.

INDIA'S GDP GREW BY LESS THAN 5% IN 2013-14; LA OPALA RG'S TOPLINE GREW BY 14.52%.

WHILE THE PRICES OF MOST INDIAN RETAIL PRODUCTS WERE DRIVEN DOWN, LA OPALA RG SUCCESSFULLY REPORTED AN EBIDTA MARGIN OF 28.31% (26.77% IN 2012-13).

WHILE MANY CORPORATES REPORTED LOWER SURPLUSES, LA OPALA RG'S PROFIT AFTER TAX INCREASED BY 30.93% TO REACH ₹29.95 CRORE AND MARKET CAPITALISATION STRENGTHENED 125.49% TO ₹754.12 CRORE.

WE, AT LA OPALA RG, LEVERAGED THE LA OPALA BRAND AND WORKED THE WAY WE HAVE ALWAYS DONE.

OVERTIME. OVER TIME.

LA OPALA RG IS A DOMINANT INDUSTRY PLAYER. VALIDATED BY ITS BRAND'S #1 RANK IN INDIA'S COMPETITIVE TABLEWARE SEGMENT FOR DECADES.

LA OPALA RG IS ALSO A VALUE-ACCRETIVE ENTITY. HELPING THE MARKET GROW INCREMENTALLY WHILE CAPTURING A LARGER SHARE OF A WIDENING MARKET.

A RARE VOLUME-VALUE PLAY FOR YEARS ON END.

Awards and Accolades, 2013-14

Awarded at the prestigious *Economic Times* Bengal Corporate Awards in the 'Best Entity in Innovation in Business Model' category.

Awarded with the prestigious *Forbes Asia* Award in the category of 'Best Under a Billion' in the region's top-200 small and midsize companies.

Vision

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

Mission

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

Background

La Opala RG Limited (established in 1987) launched opal glass tableware in India in the late Eighties. Following this pioneering achievement, the Company consistently retained its position as one of the largest organised crockery players in India (installed capacity 13,000 MT TPA as on 31 March 2014). The Company is headquartered in Kolkata with manufacturing facilities in Madhupur (Jharkhand) and Sitarganj (Uttarakhand).

What we do

The Company is engaged in the manufacture and marketing of opal glass tableware and 24% lead crystalware products within and outside India. The Company's opal glassware products comprise plates, bowls, dinner sets, cup-saucer sets, coffee mugs, coffee cups, tea sets, soup sets, pudding and dessert sets; its crystalware products comprise barware, vases, bowls and stemware.

Brands

The Company's brands comprise La Opala, Diva and Solitaire. Solitaire is directed at the high-end segment, Diva caters to the mid-end while the La Opala brand addresses the first-time requirements.

CREATING A ROBUST BUSINESS MODEL AROUND OUR BRANDS

I AM HAPPY TO STATE THAT LA OPALA RG LIMITED REPORTED 14.52% REVENUE GROWTH AND A 30.93% PAT GROWTH IN WHAT WAS OTHERWISE A CHALLENGING FY 2013-14 FOR THE INDIAN ECONOMY.

Some aspects of the Company's financial performance across the last few years, which may not be readily visible to all, is that even as we grew our revenues, we progressively graduated our margins - from 2.66% in FY 2008-09 to 13.58% in FY 2010-11 to 22.60% in FY 2013-14.

The larger we have grown, the more profitable we have become.

Over the years we have utilised a number of differentiated methodologies to manufacture our products and promote our brands, thereby creating incremental value for our stakeholders.

We are driven by sustainability

We are convinced that the potential of a market like India cannot simply be appraised in terms of scale (second largest global population); scope (extensive tableware under-penetration) is a more critical parameter.

This is why we believe that the solution to this scale versus scope dilemma lies in ensuring steady growth. Steady growth, in turn, reconciles the interests of the Company, with that of the dealers and finally the shareholders in a sustainable manner.

Over the years, this approach has been validated by a consistent growth in terms of sales as well as profits. During the year under review, while sales increased by 14.52%, profit after tax increased by 30.93%, thereby emphasising the point that the larger the Company has become, the higher profit it has generated.

We are a brands-driven Company

It would be simplistic to see La Opala RG as a product-based Company; we see ourselves as a brand-architect-cum-management entity engaged in the business of tableware and crystalware.

This differentiated identity has been retained and grown via an emphasis on the following priorities: We consider our brands as our most valuable assets; all business decisions have been woven around brand perception and brand impact. The result is that our return on employed capital has strengthened from 4.23% in FY 2007-08 to 29.67% FY 2013-14.

We leverage technology to service consumer needs

It would be easy to assume that we are a design-driven player; however, we are principally a technology-driven one, allowing us to consistently improve the quality of our products. The result: Timely investments on the technology frontier have translated into visible improvements across key product features – strength, lightness, lustre and whiteness.

La Opala RG was also the first player in the Indian tableware sector to use electric arc furnaces, emphasising our focus on utilising the cutting-edge technologies to provide our customers better products.

The Company invested an aggregate ₹72.77 crore in acquiring the best-in-class technologies in the seven years leading to FY 2013-14. Besides, a superior product has translated into a distinctive consumer pull; receivables stayed at 43 days of turnover equivalent in FY 2013-14.

We are not carving out market shares, we are creating new segments

We are convinced that a unique market like India provides two opportunities – of servicing an existing market for branded tableware and of creating a market for new users (those using alternative materials).

At La Opala RG, our promotional initiatives have reconciled the need to tap into both these segments. This has been done by widening the product range, devising specific products for specific customer segments, ensuring product availability across price points and increasing investments across production capacities (each successive capacity expansion being larger than the previous one).

We believe successful brands foster aspirations for a better quality of life

La Opala RG stands for a superior quality of life. As a means to this end, we consistently endeavoured to enhance consumer aspirations (as opposed to discounting our way to the top of the food chain). We have progressively evolved our brands – from a singular dependence on La Opala (which addresses first-time buyers) we have extended to the mid-range Diva segment; within the Diva segment, we have created two sub-categories (the value-for-money Classic and the upwardly mobile Ivory). The creation of these various sub-brands has helped broaden the element of choice for the customer and guaranteed that here at La Opala RG there's something for everyone.

We believe that conservatism pays

La Opala RG rests on a foundation of fiscal conservatism. The Company turned zero-debt in FY 2013-14 and had ₹7.16 crore free cash on its books at the close of FY 2013-14 following a cash outgo of ₹31.66 crore (plant modernisation and loan prepayment) thereby ensuring that we are adequately prepared to address the challenges of the future.

Mr. A. C. Chakrabortti
Chairman

BRAND AT WORK!

FROM LAUNCHING PRODUCTS TO CREATING CUSTOMERS.

"A leader is one who knows the way, goes the way, and shows the way."

John Maxwell

BEFORE THE ERSTWHILE LA OPALA RG LAUNCHED 'OPAL GLASS' TABLEWARE FOR THE FIRST TIME IN INDIA IN THE LATE EIGHTIES, ASPIRING CONSUMERS HAD TO CART FANCY DINNERWARE FROM ABROAD AS PART OF THEIR BAGGAGE.

So what La Opala (now La Opala RG) did was not simply launch a product (opal glass tableware); it created a market.

The Company launched opal glass tableware in India around a bold catchphrase ('Tell crockery, times have changed'), lending an aspirational undertone to the tableware category for the first time in India.

One of La Opala's (now La Opala RG) biggest contributions has been that it identified the emergence of a new kind of consumer – home-proud, go-getting and willing to spend more for a better product. Gradually, as it became evident that this segment of consumers was growing in number, the Company went on to introduce the value-added Diva series; within the Diva collection, the Company created sub-segments – Classic and Ivory.

The result is that as an industry leader, La Opala RG has done more than just launch products; it has helped create customers.

A great brand transforms industry realities.

BRAND AT WORK!

> A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.
>
> Lao Tzu

FROM HUMBLE BEGINNINGS TO STATE-OF-THE-ART TECHNOLOGIES.

WHEN LA OPALA (NOW LA OPALA RG) SELECTED TO GRADUATE FROM SEMI-AUTOMATED TO FULLY-AUTOMATED IN 2008, THE DECISION WAS VIGOROUSLY DEBATED.

On one hand, the ₹55 crore-revenue Company proposed to invest a significant ₹40 crore in new technology; on the other, the investment would graduate the Company from nominal annual volume increment to significant throughput growth.

On the one hand, the Company needed to cobble together a comprehensive technological solution covering diverse equipment (machine, furnace, lehrs and moulds); on the other, there was the prospect of attractive cost reduction (conversion, fuel and overheads) following stabilisation.

Over the months, the Company stabilised operations and eventually rolled out world-class quality products. In doing so, it graduated into an elite global league of automated opal manufacturers.

The result is that La Opala RG has reported qualitative product consistency and successfully exported to more than 40 countries.

A great brand lifts its game just when it matters.

BRAND AT WORK!

FROM THE PLAIN AND SIMPLE TO THE SOPHISTICATED AND CHARMING.

66

Leadership is the capacity to translate vision into reality.

99

Warren Bennis

WHEN LA OPALA (NOW LA OPALA RG) FIRST LAUNCHED OPAL GLASS TABLEWARE IN INDIA, THE BIG QUESTION WAS WHETHER THE PRODUCT WAS TO BE MARKETED AS IT WAS – AS A PRODUCT – OR BE TRANSFORMED INTO A SOLUTION.

One school of thought insisted that the Company's objective was to manufacture; another school felt that the Company's objective was to serve consumers.

One school of thought felt that the product was functional; another was convinced that the product was experiential.

One school of thought felt that the product conveyed the impression of better tableware convenience; another felt that the product was entirely about 'pride'.

One school of thought felt that packaging was all about protection; another felt that successful packaging was all about branding.

The result was that from early on, La Opala (now La Opala RG) extended its coverage from product manufacture to packaging fabrication as well. In a business marked by the risk of product breakage during transportation, competent packaging helped enhance product durability on one hand and enrich brand appeal on the other.

So what was once a product hurriedly packed in brown paper or old newspapers is now ready to be gifted or brought home with delight.

A great brand makes people proud.

FROM THE FUNCTIONAL TO THE EMOTIONAL.

BEFORE LA OPALA (NOW LA OPALA RG) LAUNCHED OPAL GLASS TABLEWARE IN INDIA, THE PRODUCT WAS SOMETHING THAT PEOPLE BOUGHT ON A STRICTLY FUNCTIONAL BASIS.

La Opala RG was the first to graduate the product – from something that people bought because they 'needed it' to something they bought because they 'liked it enough to buy immediately'.

At La Opala RG, the 'impulse-ivisation' was the result of a number of first-time initiatives undertaken by the Company:

- First opal glass tableware brand to be promoted across the country's nationwide electronic media as early as the late-Nineties
- First brand to engage celebrities to endorse the product, when it roped in Bipasha Basu and Manish Malhotra in 2009 and 2012 respectively
- Promotional campaigns in line with the evolving brand perception - from the functional to the fashionable to the emotional, emphasising how it is intrinsic to the special moments in people's lives

The result is that the effectiveness of the Company's brand spending has become increasingly evident over the years via a visible increase in consumer pull and spending effectiveness.

A great brand attracts immediate recall.

BRAND AT WORK!

FROM GOOD TO GREAT.

"Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes."

Peter Drucker

BEFORE LA OPALA (NOW LA OPALA RG) LAUNCHED TABLEWARE IN INDIA, THE CATEGORY WAS MARKED BY BONE CHINA AND CERAMIC ALTERNATIVES.

La Opala RG engaged in a number of initiatives to transform the consumer experience.

One, the Company's modern Sitargunj facility produced lighter /whiter/brighter/stronger products.

Two, the Company graduated its products from the usual to the scratch-proof for the first time in the country.

Three, the Company evolved designs – from the understated and floral to the vibrant and trendy.

Four, the Company began to customise products from a generalised understanding of customer types to a more sophisticated understanding based on gender, age and socio-economic backgrounds.

As a result, the proportion of customised products, as a part of the overall revenues, has gone up steadily over the years.

A great brand enhances customer experience.

66
You don't lead by pointing and telling people some place to go. You lead by going to that place and making a case.
99
Ken Kesey

FROM THE INDIAN TO THE GLOBAL.

BEFORE LA OPALA (NOW LA OPALA RG) LAUNCHED TABLEWARE THROUGH THE AUTOMATED MANUFACTURING ROUTE A FEW YEARS AGO, THE GENERAL PERCEPTION WAS THAT IF INDIANS NEEDED TO BUY THE BEST OPAL TABLEWARE THEY WOULD NEED TO BRING IT INTO THE COUNTRY.

Over the years, La Opala RG has reversed this paradigm by establishing a trustmark around quality and exporting its brands to the US, the UK, Singapore, South Korea, Australia, New Zealand and Spain as well as the Middle East, Africa, Latin America and the ASEAN region.

The result is that until a few years ago the Company's products were exported to only 20 countries; today, the Company's products are marketed under its own brand in more than 40 countries.

A great brand delights customers everywhere.

BRAND AT WORK!

FROM ANONYMITY TO GENERICITY.

BEFORE LA OPALA (NOW LA OPALA RG) LAUNCHED TABLEWARE IN INDIA, THE CATEGORY WAS ANONYMOUS AND GENERIC.

Customers bought a plate – any plate – and not a brand. Over the years, the Company succeeded in establishing a reputation for itself in a manner that when people brought 'La Opala' home, it meant putting away the steel utensils for the night and better still, forever.

This is how La Opala (now La Opala RG) went from being 'just another' to becoming 'the one':

The Company markets products through 10,000 dealers across the country. These dealers, in turn, address the growing demand for lifestyle tableware products from the semi-urban to the upmarket urban.

The Company is present in 500 towns of India which have a population in excess of 100,000. Thereby making sure that La Opala is always an arm's length away.

The Company made sure that the consumer had the benefit of choice, by making products available across price points.

So, if there are two factors, which guaranteed that La Opala (now La Opala RG) became a generic name for opal tableware, they were accessibility and variety.

A great brand is never too far away from its consumers.

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

John Quincy Adams

OUR STRENGTHS

Scale

La Opala RG is India's leading manufacturer of opal glass/crystal tableware segment with an installed capacity of 13,000 TPA across two plants with corresponding economies-of-scale and locational advantages.

Brand

La Opala RG is the only dominant player in the Indian organised tableware segment with a brand identity that stands for high product quality, ethical conduct, attractive product designs and dealer loyalty. The strength of the brand reflected, among other things, in a reduction in receivables from 65 days of turnover equivalent in 2007-08 to 43 days in 2013-14 (industry standard of around 60 to 70 days).

Range

La Opala RG prides on its ability to permute and combine - sizes, designs and finishes across different product segments and price points - with the objective to deliver just what customers need. The Company addresses a range of customers – La Opala (mass), Diva (mid-segment) and Solitaire (premium) – that makes it possible to address diverse pockets through a range of more than 1,000 SKUs. The gifting segment accounted for a significant percentage of the Company's revenues.

Technology

The Company has invested in state-of-the-art European technology translating into high product quality, high asset utilisation and related cost efficiencies. The use of an electric arc furnace has reduced emissions completely.

Functional

La Opala RG's products reconcile design, quality, hygiene (use of inputs that are natural and non-animal, hence vegan), convenience (microwave-friendly), recyclability and environment-friendliness (electric arc furnaces which are zero emission).

Accessible

La Opala RG's products are available pan-India through a network of 135 distributors leading to around 10,000 retail points across more than 500 towns (with a population of at least 100,000).

Tax-efficient

The Company generates significant revenues from its tax-efficient location (Sitargunj). The proportion of revenues from this location is expected to increase significantly following capacity expansion.

Robust

The Company's Balance Sheet is marked by high operating margins, no long-term debt; extensively under-drawn working capital sourced from banks and free cash flow.

"WE REPORTED PROFITABLE GROWTH DURING A YEAR OF ECONOMIC SLOWDOWN"

SUSHIL JHUNJHUNWALA, VICE CHAIRMAN AND MANAGING DIRECTOR, REVIEWS THE COMPANY'S 2013-14 PERFORMANCE AND LOOKS AHEAD WITH OPTIMISM

Q Were you pleased with the Company's working in 2013-14?

A There were a number of reasons why one was pleased with the performance of the Company in 2013-14. One, even as it may appear that we grew our topline by only 16% during the year under review, the reality was that in 2012-13 we had received a one-time order of significant amount from a corporate house, which did not recur, so if one does a like-to-like comparison (without the impact of the chunky order) then we would have grown our revenues by 24% in 2013-14 which was quite admirable in the context of the economic slowdown.

Q What were some of the highlights of the Company's working during the last fiscal?

A The Company lost two months of productive working at its Madhupur plant when it selected to switch from the use of oil-fired to electric arc furnace, resulting in a corresponding revenue loss. Despite this reality and a weak consumer sentiment, the Company reported profitable growth: the PAT increase of 30.93% over the previous year was higher than the revenue increase of 14.52%. This clearly indicates that even as the overall economy weakened we did not mark down, to go up. This clearly demonstrates that we successfully protected our brand through the slowdown, which augurs favourably for us, going ahead.

Q What reasons contributed to this profitable growth?

A There were a number of factors: our raw material costs stayed stable; we enhanced production throughput by 5.19%, which made it possible for us to cover our fixed costs more effectively; we enhanced brand spend efficiency; we prepaid our long-term borrowings worth ₹15 crore causing our interest in quantum terms to decline from ₹4.19 crore to ₹3.28 crore and our interest cover to strengthen from 10 to 16. The combination of these realities was that our post-tax profit strengthened to ₹29.95 crore from ₹22.87 crore, an increase of 30.93% during the year under review.

Q Shareholders will want to know how the Company grew attractively despite the economic slowdown.

A The sector is passing through an inflection phase, capitalising on sweeping changes in the country's income patterns, lifestyle changes and social structures. For instance, even as the country passed through the slowdown, urbanisation continued unabated, a reality that benefited the tableware sector. Even as the country passed through a slowdown, joint families continued to yield to smaller nuclear families, a reality, which we addressed. So from a tableware perspective, the country is still addressing extensive under-penetration. It is only when this under-penetration has been completely addressed – a few decades away – will be affected by prevailing economic realities. The result is that we did not need to reduce prices or increase discounts to catalyse offtake.

Q Through what initiatives did the Company strengthen its business in 2013-14?

A At La Opala RG, we recognised that in an environment of product under-penetration, our principal challenge lay in widening our market coverage. Consequently, we increased the number of distributors in a number of markets. This deeper coverage is expected to generate higher revenues for the Company from 2014-15 onwards.

Q How is the Company readying itself for the next big leap?

A At La Opala RG, we are engaged in our next round of capacity increase, at our sitargunj unit which should materialise in FY 2015-16. The benefits of our Madhupur modernisation will be manifest FY 2014-15 onwards. The result is that, we will be generating annual revenue increments which will only get progreesively larger with time.

DEMAND DRIVERS

Rising urbanisation: India's urban population grew by 2.8% annually over the last decade, making India the fastest urbanising country - from 11.4% (1991 census) to 28.53% (2001 census) to 30% (2011 census) and projected 41% by 2030 *(Source: UN)*. Between 2010 and 2050, urban India is expected to add 497 million individuals, generating incremental demand for tableware.

Rising rural incomes: Over the last decade, there was a significant growth in rural incomes – an average annual median per capita income increase of 7.2% – inspiring a shift in lifestyles from traditional bone china crockery to modern alternatives. This is expected to plug the extensive crockeryware under-penetration (24%) within India's total dinner set market.

Lifestyle: The cost of a complete dinner set accounts for a negligible proportion of a family's expenditure with a large corresponding increase in home-pride that touches every family member.

Nuclear families: Nearly 1.5%-2% of joint families are becoming nuclear each year on account of dispersed job opportunities and other urban realities; the consequent increase in the number of households has catalysed the growth of India's tableware sector.

Outlook

There are a number of reasons driving sectoral optimism:

- India is possibly the largest relatively under-explored tableware market in the world
- The product category targets individuals with aspirational lifestyles who are increasingly receptive to branding
- There is a visible transition from conventional crockery to modern equivalents on the one hand and the use of unbranded to branded products on the other
- The use of opal glassware products has gone a transition - from special occasions in the past to everyday use today
- The opal glassware product is considered more durable compared to its bone china equivalent
- The opal glassware product is completely hygienic and vegan, an advantage over its bone china competition that contains animal matter
- There has been a steady growth in urbanisation and nuclear families, catalysing tableware consumption
- The entry of international brands is helping widen the opal glassware market and enhance category visibility

Risks and concerns

The principal risks in the sector comprise increased competition, cheaper imports, volatile fuel costs, change in government policies affecting the sector, brand weakness and stiff competition from the unorganised sector.

Internal control systems and their adequacy

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

RISKS AND THEIR MITIGATION

1 AN ECONOMIC SLOWDOWN COULD WEAKEN OFFTAKE

The Company's products are competitively priced, accounting for only a nominal portion of home décor expenditure. Besides, extensive product under-penetration implies a large room for the conversion of those using conventional tableware to modern alternatives (opal) especially in rural and semi-urban India. The result is that the Indian tableware sector outperformed national GDP growth by 2x in 2013-14; the Company grew its revenues by 14.52% in what was widely considered a challenging year.

2 UNFAVOURABLE GOVERNMENT POLICIES COULD AFFECT SECTORAL GROWTH

India imposed an anti-dumping duty on the import of opal glassware from China and the UAE for five years, effective August 2011. Besides, the abolition of excise duty (effective from September 2007 for a period of ten years) enhanced product availability for the masses.

3 COMPETITION FROM UNORGANISED PLAYERS COULD AFFECT PROFITABILITY

The Indian consumer is gravitating towards the organised sector, offering branded products with corresponding upsides in terms of product innovation, quality, accessibility, availability, range and price-value proposition. Over the years, the Company has selected to enhance its brand spend significantly. The result is that despite increasing competition, the Company has strengthened its stronghold on the organised market.

4 ANY CHANGE IN DESIGN PREFERENCES COULD AFFECT OFFTAKE

The Company possesses more than two decades of insight into design preferences across regions, ages, income profiles and social backgrounds. As an effective de-risking strategy, La Opala RG introduces no more than two design collections a year, phases out the designs that have reached the end of their productive life cycle and nurses an active portfolio of not more than 1,000 SKUs. This has helped the Company evolve its focus from 'sale' to 'quickest sale'.

5 INADEQUATE INVESTMENTS IN CAPACITY, BRAND OR DISTRIBUTION COULD AFFECT VIABILITY

The Company is cash-comfortable; it generated ₹36.97 crore in cash profit in 2013-14. This indicates that the Company is generating a surplus considerably higher than what is required by the business.

6 RISING FUEL COSTS COULD AFFECT PROFITABILITY

To minimise the impact of fuel costs, the Company switched from the use of a fuel-based furnace to an electric arc furnace.

CORPORATE INFORMATION

Board of Directors	
Chairman	Mr. A. C. Chakrabortti
Vice Chairman & Managing Director	Mr. Sushil Jhunjhunwala
Joint Managing Director	Mr. Ajit Jhunjhunwala
Executive Director	Ms. Nidhi Jhunjhunwala
Directors	Mr. G. Narayana Mr. Shakir Ali Mr. Arun Churiwal Mr. Rajiv Gujral
Vice President Finance & Secretary	Mr. Alok Pandey
Auditors	Doshi, Chatterjee, Bagri & Co.
Bankers	State Bank of India
Registrar & Share Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd floor Kolkata – 700 001 Telphone nos: 033-22482248, 2243-5809 Facsimile no: 033-22484787 Email id: mdpldc@yahoo.com
Registered Office	'Chitrakoot', 10th floor 230A, A.J.C. Bose Road Kolkata 700 020 Telephone nos: 033-6503 6656/57/58/59 Facsimile nos: 033-2287 0284 E-mail: info@Laopala.in CIN: L26101WB1987PLC042512
Works	Post Madhupur, District Deoghar Jharkhand. B-108, ELDECO SIDCUL Industrial Park, Sitargunj, Udham Singh Nagar, Uttarakhand 262405.

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Company will be held at 'Kala Kunj', 48, Shakespeare Sarani, Kolkata 700 017 on Wednedsday, the 13th August, 2014 at 03.30 PM to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report and Auditors' Report and audited statement of accounts for the year ended 31st March, 2014;
2. To declare dividend for the year ended 31st March, 2014;
3. To appoint a Director in place of Mr. Shakir Ali (DIN 00331069) who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. As Special Resolution:

   To consider and if thought fit, to pass with or without modification, the following resolution if any, as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce) the consent of the members of the Company be and is hereby accorded to the reappointment of Mr. Sushil Jhunjhunwala (DIN 00082461), Vice Chairman & Managing Director for a further period of 5 (five) Years with effect from 1st October 2014 on the following terms and conditions, provided such remuneration is also be a minimum remuneration payable to Mr. Sushil Jhunjhunwala (DIN 00082461) in the event of loss or inadequacy of profit of the Company in any financial year:

   a. Salary

      ₹7,00,000 per month in the scale of ₹7,00,000 - ₹12,00,000.

   b. Perquisites

      (i) In addition to the above, Mr. Sushil Jhunjhunwala (DIN 00082461) shall be entitled to perquisities like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with utilities such as gas, electricity, water, furnishing & repair, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, personal accident insurance etc. in accordance with the rules of the Company or as may be agreed to by and between the Board of Directors and Mr. Sushil Jhunjhunwala (DIN 00082461). Such perquisities for each year not to exceed his annual salary.

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

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

      (ii) Company's contribution to Provident Fund is not taxable under the Income Tax Act.

      Gratuity payable as per rules of the Company and encashment of leave shall not be included in the computation of limits for the remuneration or perquisities as aforesaid.

   c. Commission

      As may be decided by the Board of Directors, within the overall ceiling stipulated as per the provisions of the Companies Act 2013.

   d. Leave

      On full pay and allowance as per the rules of the Company but not exceeding one month's leave for eleven months of service.

      Mr. Sushil Jhunjhunwala (DIN 00082461) shall also be entitled to be reimbursed all entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of the duties on behalf of the Company.

6. As Special Resolution:

   To consider and if thought fit, to pass with or without modification, the following resolution if any, as a Special Resolution:

   "RESOLVED THAT subject to the provisions of Section 197 of the Companies Act 2013 and the Articles of Association of the Company and within the limits stipulated by Section 197(1) of the Companies Act, 2013, the

Company be and is hereby authorised to pay remuneration by way of commission to the Directors other than the Managing and Whole-time Directors of the Company for a period of five years for the financial year commencing from 2014-15 subject to the overall ceiling of 1% of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198(1) of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors may, at its discretion, decide the exact amount to be disbursed in each financial year by way of commission within the limits prescribed above and its allocation among the eligible directors."

7. As Ordinary Resolution

To consider and if thought fit, to pass with or without modification, the following resolution if any, as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 61(1)(d) of the Companies Act, 2013 issued, subscribed and fully paid-up Equity Share Capital of the Company, comprising of 1,05,97,532 (one crore five lacs ninety seven thousand five hundred thirty two) equity shares of the face value of ₹10 each aggregating to ₹10,59,75,320 (rupees ten crores fifty nine lacs seventy five thousand three hundred twenty only) be sub-divided into 5,29,87,660 (five crores twenty nine lacs eighty seven thousand six hundred sixty) equity shares of face value of Re. 2 each as on the Record Date which will be fixed by the Board later on and will be informed to the stakeholders by proper means."

"RESOLVED FURTHER THAT the Board be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the persons herein vested in them to give the effect of the above."

8. As Special Resolution:

To consider and if thought fit, to pass with or without modification, the following resolution if any, as a Special Resolution:

"RESOLVED THAT pursuant to Section 64 read with Section 13 of Companies Act, 2013 (including any modifications or re-enactment thereof) and other applicable provisions if any the existing clause V of the Memorandum & Articles of Association of the Company be altered and substituted by the following clause:

The authorised share capital of the Company is ₹15,00,00,000 (rupees fifteen crores only) divided into 7,50,00,000 (seven crores fifty lacs) equity shares of ₹2 (rupees two) each with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

9. As Ordinary Resolution:

To consider and if thougt fit, to pass with or without modification, the following resolution if any, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149,152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. G. Narayana (DIN 00020575), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of 32nd Annual general Meeting of the Company in the calendar year 2019."

10. As Ordinary Resolution:

To consider and if thought fit, to pass with or without modification, the following resolution if any, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement Mr. A. C. Chakrabortti (DIN 00015622) who was appointed as a Director liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 and in respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the Calendar year 2019."

11. As Ordinary Resolution:

To consider and if thought fit, to pass with or without modification, the following resolution if any, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement Mr. Rajiv Gujral (DIN 00409916) who was appointed as a Director liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 and in respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and hereby appointed as an Independent Director of the Company for a period upto 5 (Five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the Calendar year 2019."

12 As Special Resolution:

To consider and if thought fit, to pass with or without modification, the following resolution if any, as a Special Resolution:

RESOLVED THAT subject to the approval of shareholders pursuant to Section 14 of the Companies Act, 2013 and other applicable provisions, if any, the Articles of Association of the Company be altered in the manner following:

(a) Article 100

The line Whole-time or Managing Director shall not be liable to retire by rotation contained at the end of Article 100 of Articles of Association be deleted.

(b) Insertion of new article 76A after Article 76

76A - All the Directors excluding those stipulated by the Companies Act 2013 shall be considered to be liable to retire by rotation at the Annual General Meeting.

By Order of the Board

Place: Kolkata | ALOK PANDEY

Date: 13th May, 2014 | **V. P. 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 102 of the Companies Act, 2013 regarding the Special Business contained in the notice is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 2nd August, 2014 to Wednesday, the 13th, August, 2014 (both days inclusive).
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Shareholders requiring any information regarding accounts are requested to write to the Company in advance so that the relevant information can be furnished by the Company.
7. Members of the Company are requested to intimate immediately to the Registered Office of the Company about the change of address, if any.
8. Members/Proxies are requested to bring the Attendance Slip duly filled in and hand it over at the entrance of the Meeting hall.
9. Reappointment of Directors

   Mr. Shakir Ali was appointed as a Director on 11th June 1987. He is an Advocate and reputed Labour Advisor. Currently he is also a Director of M/s Eri-tech Ltd. As on 31st March 2014 he was holding 'NIL' Equity shares of the Company.
10. The Company has entered into an agreement with Central Depository Services (India) Limited for availing Electronics Voting facilities which is mandatory as per Companies (Management & Administration) Rule, 2014. Electronic Voting Instructions, User Id and Password are being informed by Central Depository Services (India) Limited separately.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No. (5)

In the 22nd Annual General Meeting held on 29th August 2009 Shareholders approved the reappointment of Mr. Sushil Jhunjhunwala as Managing Director for a period of 5(Five) years with effect from 1st October 2009 and his designation was changed to Vice Chairman and Managing Director in the Board Meeting held on 4th February 2013. His tenure of office as Vice Chairman & Managing Director expires on 30th September, 2014 and being eligible Mr. Sushil Jhunjhunwala offers himself for reappointment as Vice Chairman & Managing Director of the Company for further period of 5(five) years with effect from 1st October, 2014. Currently Mr. Sushil Jhunjhunwala is also a Director in Genesis Exports Ltd., BSL Ltd., RSWM Ltd., SKJ Estate Pvt. Ltd., Ishita Housing Pvt. Ltd., Anuradha Deigners (P) Ltd. and GDJ Housing Pvt. Ltd.

Excepting Mr. Sushil Jhunjhunwala, Mr. Ajit Jhunjhunwala and Mrs Nidhi Jhunjhunwala no other director and Key Managerial Personnel is interested in this resolution.

Item No. (6)

The experience of the Non-Executive Directors has helped your Company in achieving multifold growth. The Non-Executive Directors have been devoting time to your Company. In accordance with Section 197 & 198 of the Companies Act, 2013 your Directors are seeking approval for payment of commission to the Non-Executive Directors for a period of five years commencing from financial year 2014-15.

Excepting Mr. Sushil Jhunjhunwala, Mr. Ajit Jhunjhunwala and Mrs Nidhi Jhunjhunwala all other directors of your Company are interested in this resolution.

Item No. (7)

The equity shares of the Company are listed in the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd (NSE) and are actively traded. In order to improve the liquidity of the equity shares with higher floating stock in absolute numbers and make the equity shares more affordable to the investors, the Board of Directors of the Company at the meeting held on Tuesday, the 13th May, 2014 has recommended sub-division of value of equity shares of the Company from ₹10 each into 5 (five) equity shares of the face value of ₹2 each.

Consequent to the above sub-division it is necessary to alter the article clause of the Memorandum & Articles of Association of the Company.

The Board of Directors is of the opinion that the aforesaid sub-division of the face value of the equity shares, is in the best interest of the Company and the investors and hence recommends the passing of the above resolutions.

The Directors of the Company and the Key Managerial Personnel may be deemed to be concerned or financially interested in the resolutions to the extent of their respective shareholdings, if any in the Company to the same extent as that of every member of the Company.

Item No. (8)

Consequent to the sub-division of shares, as specified in the item no. 8, it is necessary to alter the capital clause of the Memorandum & Articles of Association of the Company, and this resolution seeks to make corresponding amendment in clause V of the Memorandum & Articles of Association of the Company.

None of the directors and key managerial personnel are interested in this resolution.

Item No. (9), (10) & (11)

Mr. G. Narayana, who retires by rotation in the ensuing Annual General Meeting,and Mr. A. C. Chakrabortti and Mr. Rajiv Gujral who were appointed as Directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 is proposed to be appointed as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold the office for 5 (Five) consecutive years for a term up to conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2019

Mr. G. Narayana, Mr. A. C. Chakrabortti and Mr. Rajiv Gujral are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notice in writing from member(s) alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. G. Narayana, Mr. A. C. Chakrabortti and Mr. Rajiv Gujral for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received declarations from Mr. G. Narayana, Mr. A. C. Chakrabortti and Mr. Rajiv Gujral that they meet the criteria of Independence as prescribed both under sub Section (6) of Section 149 of the Companies Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. G. Narayana, Mr. A. C. Chakrabortti and Mr. Rajiv Gujral proposed to be appointed fulfills the conditions specified in the Act and Rules there under and he is independent of the Management.

The details in relation to expertise in specific functional area of Mr. G. Narayana, Mr. A. C. Chakrabortti and Mr. Rajiv Gujral along with names of the companies in which they hold directorship is given as under :

Mr. G. Narayana

Mr. Narayana is a Corporate Advisor, Management Author and Trainer. Currently he is a Chairman & Director of Punjab Chemicals & Crop Protection Ltd. and Director of Aryan Paper Mills Ltd.. He is also a Chairman Emeritus in Excel Industries Ltd. As on 31st March 2014 he was holding 'NIL' Equity shares of the Company.

Mr. A. C. Chakrabortti

Mr. A. C. Chakrabortti is a Fellow of Chartered Accountants (FCA) and has expertise in the field of Audit and Management Cosultancy. Currently he is also a Chairman in the Peerless Fund management Co. Ltd and Director in Peerless General Finance & Investment Co. Ltd, Texmaco Rail & Engineering Ltd, Chabdras' Chemicals Enterprises Pvt Ltd, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd, Asian Hotels (East) Ltd, East India investment Co. Pvt Ltd and Gwalior Webbing Co. Pvt Ltd. As on 31st March 2014 he was holding 3000 (Three Thousand) Equity Shares of the Company.

Mr. Rajiv Gujral

Mr. Rajjiv Gujral is a Graduate in Business Management, and has expertise in the field of Marketing. He is a Director in peerless Hotels Ltd, Peerless Hospitex hospital & Research Centre Ltd and R3 Hotels & Resorts Pvt Ltd. As on 31st March 2014 he was holding "NIL" Equity Shares of the Company.

The Board of Directors accordingly recommends the resolution for your approval. Except Mr. G. Narayana, Mr. A. C. Chakrabortti and Mr. Rajiv Gujral none of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in the Resolution set out in Item No. 9, 10 and 11

Place: Kolkata
Date: 13th May, 2014

ALOK PANDEY
V. P. Finance & secretary

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2014.

Performance Review

Your Directors are pleased to inform you that during the year under review, there has been improvement in the overall performance of the Company. The revenue from operation increased by ₹23.28 crores from ₹160.28 crores to ₹183.56 crores; profit before tax by ₹8.30 crores from ₹32.46 crores to ₹40.76 crores and profit after tax by 30.90% from ₹22.88 crores to ₹29.95 crores.

The strengthening of distribution network, aggressive marketing policy, higher utilisation of capacity and cost reduction effort had resulted in over all good performance of the Company during the year. Barring unforeseen circumstances, the management is hopeful to maintain and improve the existing rate of growth in the future. The summarised results of the current years' performance are given hereunder:

₹ in Lacs

Sl. No.	Particulars	Year ended 31st March'14	Year ended 31st March'13
1	Sales/Income from operations	18355.63	16027.63
2	Other Income	108.18	102.46
3	Total expenses before interest and depreciation	13358.26	11908.75
4	Finance Cost	328.22	419.02
5	Gross profit after interest but before depreciation	4777.33	3802.32
6	Depreciation	701.28	555.87
7	Profit before taxation	4076.05	3246.45
8	Tax expenses	1080.65	958.66
9	Net Profit	2995.40	2287.79
10	Surplus available	2995.40	2287.79
11	Dividend	529.88	370.91
12	Tax on Dividend	90.05	63.04
13	Transferred to General Reserve	500.00	400.00
14	Balance as per last year	4290.75	2836.91
15	Balance carried to Balance Sheet	6166.22	4290.75

Dividend

Your Directors are pleased to recommend, for consideration of shareholders at the 27th Annual General Meeting, payment of dividend of ₹5.00 per share (₹3.50 per share for the previous year) on equity shares of the face value of ₹10 each for the year ended 31st March 2014.

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, 2014 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

The Company's Auditors M/s Doshi, Chatterjee, Bagri & Co., retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors, if any, are explained wherever necessary, in the appropriate Note to the Accounts.

Comments on Auditors' Report

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

Directors

Mr. Shakir Ali retire by rotation and, being eligible, offers himself for re-appointment as a Director liable to retire by rotation.

Mr. G. Narayana retire by rotation in the ensuing Annual General Meeting is being proposed to be appointed as Independent Director of the Company for a period upto 5 (Five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the Calendar year 2019.

Mr. A. C. Chakrabortti and Mr. Rajiv Gujral were appointed as Directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 is being proposed to be appointed as Independent Director of the Company for a period upto 5 (Five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the Calendar year 2019.

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

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

Particulars of employees

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

Acknowledgement

The Directors express their grateful appreciation of the assistance and cooperation extended by Banks, various Governments and other agencies, shareholders and the suppliers and solicit their continued support. Your Directors also wish to place on record their deep sense of appreciation of the devoted services of the Executives, Staff and Workers of the Company for another year of successful operation.

By Order of the Board

Place: Kolkata

Date: 13th May, 2014

Mr. A. C. Chakrabortti

Chairman

Annexure 'A' to Directors report for the year ended March 31st, 2014

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.

	2013-14	2012-13
A Conservation of Energy		
1 Electricity		
(a) Purchased		
Unit: KWH	24228400	16830552
Total amount (₹ Lacs)	1285.21	875.50
Rate/Unit (₹)	5.30	5.20
(b) Own Generation		
Through Generator		
Unit: KWH	824845	727501
Unit: Litre of oil	3.35	3.20
Cost/Unit (₹)	14.24	12.30
2 Furnace Oil		
Quantity		
Unit: Litre	749965	2007954
Total cost (₹ Lacs)	326.64	832.46
Cost/Unit (₹)	43.55	41.56
3 Others		
(a) HSD		
Quantity		
Unit: Litre	207892	657088
Total cost (₹ Lacs)	113.03	271.94
Cost/Unit (₹)	54.37	41.39
(b) GAS		
Quantity		
Unit: Kgs	898697	499905
Total cost (₹ Lacs)	667.51	336.16
Cost/Unit (₹)	74.28	67.24
(c) COAL		
Quantity		
Unit: Kgs	197567	208654
Total cost (₹ Lacs)	14.98	19.60
Cost/Unit (₹)	7.58	9.39
4 Consumption per Unit of Production		
Unit Pcs	37154730	36207452
Electricity: KWH	0.67	0.48
Furnace Oil: Litre	0.02	0.06
HSD: Litre	0.01	0.02
GAS: Kgs	0.02	0.01
COAL: Kg	0.01	0.01

B Technology Absorption

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

C Foreign Exchange Earnings & Outgo

Particulars with regard to Foreign Exchange Earnings and Outgo appear in note 38 and 39 of Financial Statements

By Order of the Board

Place: Kolkata
Date: 13th May, 2014

Mr. A. C. Chakrabortti
Chairman

Annexure 'B' to Directors report for the year ended March 31st, 2014

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

(A) Persons employed throughout the financial year

Name of Employees	Designation	Remuneration	Qualification	Experience (Years)	Commencement of Employment	Age (Years)	Last Employed	
							Organisation	Post Held
Mr. Sushil Jhunjhunwala	Vice Chairman & Managing Director	17,636,093	Graduate in Commerce	46	01.10.1994	64	Radha Glass & Industries Ltd.	Director
Mr. Ajit Jhunjhunwala	Jt. Managing Director	16,499,093	Graduate in Commerce	25	01.10.1997	43		
Ms Nidhi Jhunjhunwala	Executive Director	7,309,706	Graduate in Arts	12	01.07.2002	41		

Note 1. All appointments are contractual.

By Order of the Board

Place: Kolkata
Date: 13th May, 2014

Mr. A. C. Chakrabortti
Chairman

Corporate Governance Report

(Pursuant to clause 49 of the Listing Agreement)

1. Company's Philosophy

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

2. Board of Directors

The Board of Directors of the Company comprises of the Chairman who is an Independent Director, 3 Executive Directors and 4 Non-Executive Directors who are independent. The business of the Company is managed by the Vice Chairman & Managing Director and two whole time Executive Directors under the guidance, supervision and control of the Board of Directors.

During the financial year under review four Board Meetings were held on following dates: May 11, 2013, August 13, 2013; November 11, 2013 and February 13, 2014

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, 2014	No. of membership/ Chairmanship in other Board/Committee excluding Private Companies as on March 31, 2014
Mr. A. C. Chakrabortti	Chairman Non Executive & Independent	4	Yes	5	4 (including 2 Chairmanship)
Mr. Sushil Jhunjhunwala	Vice Chairman & Managing Director	4	Yes	3	2 (including 1 Chairmanship)
Mr. Ajit Jhunjhunwala	Jt. Managing Director	4	Yes	1	Nil
Ms Nidhi Jhunjhunwala	Executive Director	4	Yes	1	Nil
Mr. Arun Churiwal	Non Executive & Independent	4	Yes	3	2
Mr. G. Narayana	Non Executive & Independent	4	Yes	2	Nil
Mr. Shakir Ali	Non Executive & Independent	4	Yes	1	Nil
Mr. Rajiv Gujral	Non Executive & Independent	3	Yes	2	Nil

Non-executive Directors are holding equity shares in the Company:

Mr. A. C. Chakrabortti	3000 equity shares
Mr. Arun Churiwal	1340 equity shares

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

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 11, 2013, August 13, 2013; November 11, 2013 & February 13, 2014. 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 2014
Mr. G. Narayana	Chairman, Non Executive and Independent	4
Mr. A. C. Chakrabortti	Non Executive and Independent	4
Mr. Arun Churiwal (w.e.f. 11.05.2013	Non Executive and Independent	3
Mr. Shakir Ali (Up to 11.05.2013)	Non Executive and Independent	1

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

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

4. Remuneration Committee

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

(a) Mr. G. Narayana, Chairman
(b) Mr. A. C. Chakrabortti
(c) Mr. Arun Churiwal

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

During the period under review the committee met on 11th May 2013.

Executive Directors' Remuneration details for the financial year ended March 31, 2014

Name of the Directors	Salary and perquisites	Commission	Total
Mr. Sushil Jhunjhunwala, Vice Chairman & Managing Director	94,74,000	81,62,093	1,76,36,093
Mr. Ajit Jhunjhunwala, Jt. Managing Director	83,37,000	81,62,093	1,64,99,093
Ms Nidhi Jhunjhunwala, Executive Director	32,28,660	40,81,046	73,09,706

Non-executive Directors' Remuneration details for the financial year ended March 31, 2014

Name of the Directors	Sitting Fees	Commission	Total
Mr. A. C. Chakrabortti	60,000	3,00,000	3,60,000
Mr. G. Narayana	60,000	3,00,000	3,60,000
Mr. Shakir Ali	45,000	3,00,000	3,45,000
Mr. Arun Churiwal	55,000	3,00,000	3,55,000
Mr. Rajiv Gujral	30,000	3,00,000	3,30,000

Salary and perquisites include Company's contribution to Provident Fund. The Company does not have any stock option scheme. It includes Sitting Fees of all Committee Meetings.

5. Investors' Grievance Committee

Chairman	Mr. G. Narayana
Members	Mr. Sushil Jhunjhunwala Mr. Ajit Jhunjhunwala Mr. Shakir Ali
Compliance Officer	Mr. Alok Pandey
No. of complaints received by Company's Registrar & Share Transfer Agents M/s Maheshwari Datamatics Pvt. Ltd during the financial year ended March 31, 2014	2 (Two)
No. of complaints resolved to the satisfaction of shareholders during the financial year ended March 31, 2014.	2 (Two)
No. of pending share transfers as on March 31, 2014	Nil

6. Details of Directors seeking re-appointment in the forthcoming AGM:

	Mr. G. Narayana	Mr. Shakir Ali	Mr. A. C. Chakrabortti	Mr. Rajiv Gujral
Date of birth	20/08/1941	15/06/1939	02/10/1930	21/10/1950
Appointed on	25/11/1996	11/06/1987	29/10/1994	26/10/2007
Qualification	L.E.E.,Grad. I. E. (India) C. Eng., (England) MIERE, Bom. Univ.	L.L.B., Advocate	FCA(Eng. & Wales); FCA	Graduate in Business Management, Marketing
Expertise	In the field of Engineering and Management	In the field of Industrial and H.R. Relations	In the field of Audit and Management Consultancy	In the field of Marketing and Management
Directorship held in other public companies	2	1	5	2
Membership/Chairmanship of committee in other public companies	-	-	4	-

7. General Body Meeting

AGM for the financial year	Location of holding AGM	Date and time of AGM
2012- 2013	'Gyan Manch'. 11 Pretoria Street, Kolkata 700 071	13th August, 2013 12.30 p.m.
2011- 2012	'Gyan Manch'. 11 Pretoria Street, Kolkata 700 071	10th August, 2012 11.30 a.m.
2010- 2011	'Kala Kunj'. 48, Shakespeare Sarani, Kolkata 700 017	30th July, 2011 11.30 a.m.

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

(a) No Special Resolution was passed at the 24th Annual General Meeting held on July 30, 2011

(b) Special Resolution passed at the 25th Annual General Meeting held on August 10, 2012

(i) Re-appointment of Mr. Ajit Jhunjhunwala as Dy. Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2012 with modification of remuneration.

(ii) Approval of enhanced/changed remuneration of Mr. Himanshu Jhunjhunwala, Manager – New Business Development of the Company, a relative of Mr. Sushil Jhunjhunwala, Managing Director of the Company with effect from July 01, 2011

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

(c) Special Resolution passed at the 26th Annual General Meeting held on August 13, 2013

(i) Approval for increase in remuneration of Mr. Sushil Jhunjhunwala on being promoted from Managing Director to Vice Chairman & Managing Director with effect from 1st February 2013.

(ii) Approval for increase in remuneration of Mr. Ajit Jhunjhunwala on being promoted from Dy. Managing Director to Jt. Managing Director with effect from 1st February 2013.

(iii) Approval for increase in remuneration of Ms Nidhi Jhunjhunwala with effect from 1st February 2013.

7(b) Postal Ballot

During the year 2013-14 no resolution was passed through Postal Ballot by your Company. No Special Resolution is proposed to be conducted through postal ballot in the current year.

8. Disclosure

(a) Related Party Disclosure:

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

(b) Compliances by the Company

There has been no instance of non-compliance by 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.

9. Means of Communication

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

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

10. Code of Conduct

All the members of the Board and senior management personnel have affirmed compliance with the Company's Code of Conduct which has been posted on the website of the Company www.laopala.in.

A declaration of Vice Chairman & Managing Director (CEO) of the Company is attached to this Annual Report.

11. 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, 2014 and the same is enclosed with this report.

12. General Shareholders' Information

AGM date, time and venue	13th August, 2014, at 03.30 P.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017
Financial Calendar 2014-2015	1st Qtr. Result Second week of August'14 2nd Qtr. Result Second week of Nov.'14 3rd Qtr. Result Second week of Feb'15 Audited Accounts Fourth week of May'15
Date of Book Closure	2nd August, 2014 to 13th August, 2014 (both days inclusive)
Date of dividend payment	On or after 14th August 2014
Listing at 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

Months	Share Price		Sensex	
	High	Low	High	Low
April 2013	364.35	308.00	19622.68	18144.22
May 2013	396.00	310.10	20443.62	19451.26
June 2013	399.70	322.00	19860.19	18467.16
July 2013	427.90	354.00	20351.06	19126.82
August 2013	464.50	387.80	19569.20	17448.71
September 2013	512.95	384.90	20739.69	18166.17
October 2013	582.00	450.05	21205.44	19264.72
November 2013	597.50	483.25	21321.53	20137.67
December 2013	630.00	510.15	21483.74	20568.70
January 2014	691.90	588.20	21409.66	20343.78
February 2014	742.00	600.00	21140.51	19963.12
March 2014	747.00	687.60	22467.21	20920.98

Registrar & Share Transfer Agents	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd floor, Kolkata – 700 001 Telephone nos. 033-22482248, 2243-5809 Facsimile no: 033-22484787 Email id: mdpldc@yahoo.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

Distribution of Shareholding as on March 31, 2014

No. of Equity Shares held	Shareholder(s) Nos.	Shareholder(s) %	Shareholding(s) Nos.	Shareholding(s) %
1 to 500	5717	92.8989	437267	4.1261
501 to 1000	189	3.0712	150621	1.4213
1001 to 2000	136	2.2099	202209	1.9081
2001 to 3000	30	0.4875	77884	0.7349
3001 to 4000	15	0.2437	52639	0.4967
4001 to 5000	7	0.1137	34362	0.3242
5001 to 10000	27	0.4387	194687	1.8371
10001 to Above	33	0.5362	9447863	89.1515
	6154	100.0000	10597532	100.0000

Shareholding Pattern as on March 31, 2014

Category	Number of Equity Shares held	% of Equity Shares held
A. Promoters Holding		
1. Promoters		
Indian Promoters	7217500	68.11
Foreign Promoters	Nil	Nil
2. Persons acting in concert	4540	0.04
Sub-Total	**7222040**	**68.15**
B. Non-Promoters Holding		
3. Institutional Investors	Nil	Nil
a. Mutual Funds and UTI	228361	2.15
b. Banks, Financial Institution, Insurance Companies (Central/State Govt. Institution/Non-Govt. Institution)	723	0.01
c. FIIs	582406	5.50
Sub - Total	**811490**	**7.66**
4. Others		
a. Private Corporate Bodies	731351	6.90
b. Indian Public	1578621	14.89
c. NRIs/OCBs/Foreign Companies	247852	2.34
d. Any other (specify) Trust & Foundations	6178	0.06
Sub – Total	**2564002**	**24.19**
GRAND TOTAL	**10597532**	**100.00**

Dematerialisation of Shares	10419515(98.32%) of the shares issued by the Company have been dematerialised upto 31st March 2014.
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: **Maheshwari Datamatics Pvt. Ltd.** 6, Mangoe Lane, 2nd floor Kolkata – 700 001 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: 6503 6656/57/58/59 Facsimile nos: 22484787 E-mail: info@laopala.in

By Order of the Board

Place: Kolkata
Date: 13th May, 2014

Mr. A. C. Chakrabortti
Chairman

Declaration of Vice Chairman & Managing Director (CEO)

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

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

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

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept that it is our responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which they are aware and we take steps or propose to take to rectify these deficiencies.

Alok Pandey
Vice President – Finance & Secretary(CFO)

Sushil Jhunjhunwala
Vice Chairman & Managing Director (CEO)

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, 2014 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 13, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

General review and business environment

In 2013, global growth remained largely unchanged. As per IMF estimates (January 2014), global GDP growth was estimated at 3% in 2013 vis-à-vis 3.1% in 2012. The year under review was marked by a variance in growth and financial market conditions. The Indian economy slackened in 2012-13 but buoyed by good performance from the farming sector, economic growth in the current fiscal is estimated to rise to 4.9 percent as compared to the growth rate of 4.5 percent in 2012-13. The recovery in growth, although weak, was on the back of abundant rainfall which not only boosted agricultural output but also the overall expansion. Nonetheless this growth rate remains below potential as the manufacturing and the mining sectors continue to remain a cause of concern in the ongoing fiscal.

Supported by slightly stronger global growth, improving export competitiveness and implementation of recently approved investment projects, India's growth is expected to get better over the medium-term.

Opportunities and threats

Despite the above uncertainty and challenges, it was indeed creditable that the Company was able to achieve higher growth rate and profits in FY 2013-14, the reasons for which have already been outlined in the Directors' Report.

Fortunately, the government has shown itself to be keenly aware of the adverse economic situation and initiated various steps so as to change the scenario for the better. It is hoped that the economy will see a higher rate of growth in the coming years and the Company will attempt to take advantage of the favourable change in scenario. As a means to this end, the Company has successfully replaced the fuel fire furnace by an electric furnace at its Madhupur unit during FY 2013-14. The Company is also aware of the severe competition emanating not only from the international players, but also on the domestic front, from the organised and unorganised sectors alike. These will have to be dealt with better through the formulation of a prudent strategy followed by effective implementation of the same. This will ensure that the Company's market share continues to grow at the projected rate.

Outlook

With the recovery in the economy, in FY 2014-15, the Company plans to continue with the momentum it had achieved in the previous year. To achieve this objective, actions have already been initiated to explore untouched markets, strengthen the distribution network, improve logistics, introduce new product designs and upgrade the quality of the existing portfolio, keeping the pricing tag at an affordable level for the benefit of its customers. Barring unforeseen circumstances, the attitude of the Company appears to be ebullient.

Risks and concerns

Risk accompanies prospects. As a responsible corporate, it is the endeavour of the management to minimise the risks inherent in the business with the view to maximise returns from business situations. At the heart of La Opala's risk mitigation strategy is a comprehensive and integrated risk management framework that comprises prudential norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but prudently decentralised across the Company, percolating to managers at various levels helping them mitigate risks at the transactional level. At La Opala, the risk management team meets periodically to review the key risks which could impact the Company like the increase in global competition, availability of foreign products at low costs, volatile oil prices, and stiff competition from the unorganised sector. Consequently the same team formulates relevant de-risking initiatives and ensures their effective implementation in an ever-evolving external environment.

Internal control systems and their adequacy

The internal control system is a set of rules, procedures and organisational structures that, through a process of identifying, measuring, managing and monitoring the main risks, allows the sound and fair operation of the Company in line with pre-established objectives. As such this process is aimed at pursuing the values of both procedural and substantial fairness, transparency and accountability, which are considered key factors for managing La Opala's business.

Financial performance

The financial statements of La Opala have been prepared in compliance with the requirements of the Companies Act and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. During the year under review, income from operation amounted to ₹18,355.63 lac compared to ₹16,027.63 lac in 2012-13. Profit before tax for the FY 2013-14 amounted to ₹4,076.05 lac as compared to ₹3,246.45 lac in the previous year.

Industrial relations

Overall the industrial relations of the Company during the year were cordial. Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

Corporate social responsibility

A robust and thriving development sector is central to India's quest for equitable, inclusive and sustainable growth. India's development sector has evolved substantially over the last few decades and is now witnessing unprecedented interest and investments across the value chain.

With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a slew of activities. La Opala ensures that the economically deprived people residing in and around the manufacturing facilities at Madhupur, in Jharkhand and Sitargunj in Uttarakhand, have access to education. As a means to this end the Company provides active support to educational institutions and the students at the primary and secondary level. La Opala also supports and sponsors medical camps for the needy of the area, particularly senior citizens and children. The Company has also been supporting renovations of religious shrines of all faiths and educational institutes in the vicinity of its plants.

Cautionary statement

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

Independent Auditors' Report

To
the members of
LA OPALA RG LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of LA OPALA RG LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
   (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit.
   (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
   (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
   (iv) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013.
   (v) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

R. K. BAGRI
Partner
Membership No. 51956

Kolkata
Date: May 13, 2014

Annexure referred to in paragraph (1) of our Report of even date on "Other Legal and Regulatory Requirements" to the members of LA OPALA RG LIMITED on the accounts as at and for the year ended March 31, 2014

(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 neither granted nor taken 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) to (g) of the order is not applicable.

(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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the said records have been maintained. We, however, have not made any detailed examination of such records with the view to determine whether they are accurate or complete.

(ix) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-tax/ Value Added Tax, Service tax, Customs duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid dues are there at the year end for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,26,538	2006-07	Commissioner of Income Tax (Appeals) ,Kolkata
Income Tax Act, 1961	Income Tax	24,78,948	2007-08	Commissioner of Income Tax (Appeals) ,Kolkata
Central Excise Act, 1944	Excise Duty	70,49,481	2002-04	High Court, Jharkhand
Central Excise Act, 1944	Excise Duty	6,57,665	2002-04	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
		58,59,993	2008-09	
Central Excise Act, 1944	Excise Duty	4,28,424	2009-10	Commissioner of Central Excise (Appeals) ,Ranchi

(x) The Company does not have accumulated losses at the end of the reporting financial year and has not incurred cash losses in the financial year and immediately preceding financial year.

(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) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the said Order are not applicable to the company.

(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 term loan taken in earlier year has been applied for the purpose for which it was taken.

(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, 2014.

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

R. K. BAGRI
Partner
Membership No. 51956

Kolkata
Date: May 13, 2014

Balance Sheet as at March 31,2014

Particulars	Note No.	March 31,2014 ₹	March 31,2013 ₹
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
a) Share Capital	2	105,975,320	105,975,320
b) Reserves And Surplus	3	872,270,759	634,723,821
		978,246,079	740,699,141
2 Non - Current Liabilities			
a) Long-term Borrowings	4	-	149,870,853
b) Deferred Tax Liabilities (Net)	5	93,540,785	75,156,576
c) Other Long Term Liabilities	6	13,336,948	11,857,073
d) Long-term Provisions	7	2,548,615	895,308
		109,426,348	237,779,810
3 Current Liabilities			
a) Short-term Borrowings	8	141,836,950	88,848,729
b) Trade Payables	9	34,935,351	39,525,265
c) Other Current Liabilities	10	115,095,032	153,761,890
d) Short-term Provisions	11	69,022,814	55,977,407
		360,890,147	338,113,291
Total		1,448,562,574	1,316,592,242
II ASSETS			
1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	12	731,222,014	638,505,625
ii) Intangible Assets	13	-	4,998
iii) Capital Work-in-progress		22,020,320	8,799,805
iv) Capital Expenditure on Expansion Project (pending allocation)	14	-	-
b) Non-current Investments	15	879,983	879,983
c) Long-term Loans and Advances	16	51,380,194	56,481,570
		805,502,511	704,671,981
2 Current Assets			
a) Current Investments	17	-	74,380,162
b) Inventories	18	283,406,722	307,843,044
c) Trade Receivables	19	214,759,148	185,978,799
d) Cash and Bank Balances	20	91,186,817	8,295,190
e) Short-term Loans and Advances	21	29,809,483	11,578,528
f) Other Current Assets	22	23,897,893	23,844,538
		643,060,063	611,920,261
Total		1,448,562,574	1,316,592,242
Summary of Significant Accounting Policies	1		

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

For Doshi, Chatterjee, Bagri & Co. — On behalf of the Board
Chartered Accountants — A C Chakrabortti **Chairman**
Firm Registration No.: 325197E

R K Bagri — Sushil Jhunjhunwala **Vice Chairman & Managing Director**
Partner
Membership No. 51956 — Ajit Jhunjhunwala **Joint Managing Director**

Place: Kolkata — Alok Pandey **V P Finance & Secretary**
Date : May 13, 2014

Statement of Profit and Loss for the year ended March 31, 2014

	Particulars	Note No.	2013-14 ₹	2012-13 ₹
	INCOME			
	Revenue from Operations (Gross)	23	1,835,563,334	1,602,763,300
	Less:Excise Duty		56,978,698	63,605,689
I	Revenue from Operations (Net)		1,778,584,636	1,539,157,611
II	Other Income	24	10,817,579	10,246,777
III	Total Revenue (I+II)		1,789,402,215	1,549,404,388
	EXPENSES			
	Cost of Materials Consumed	25	370,631,187	379,904,746
	(Increase)/Decrease in Inventories of Finished Goods & Semi Finished Goods	26	32,565,771	(45,039,295)
	Employee Benefits Expenses	27	217,740,183	188,657,941
	Finance Costs	28	32,822,445	41,902,327
	Depreciation and Amortization Expense	29	70,128,354	55,586,857
	Other Expenses	30	657,909,633	603,746,793
IV	Total Expenses		1,381,797,573	1,224,759,369
V	Profit before Exceptional & Extraordinary Items and Tax (III-IV)		407,604,642	324,645,019
VI	Exceptional and Extraordinary Items		-	-
VII	Profit Before Tax (V-VI)		407,604,642	324,645,019
	Tax Expenses			
	Current Tax		93,100,000	77,771,000
	Deferred Tax Charge / (Credit)		18,384,210	17,941,335
	Tax adjustment for earlier years		(3,419,419)	154,109
VIII	Total Tax Expenses		108,064,791	95,866,444
IX	Profit for the year (VII-VIII)		299,539,851	228,778,575
X	Earning per Equity Share {Nominal Value of Share Rs 10 (31 March 2013:Rs 10)}	35		
1)	Basic		28.27	21.59
2)	Diluted		28.27	21.59
	Summary of Significant Accounting Policies	1		

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

For Doshi, Chatterjee, Bagri & Co. — On behalf of the Board
Chartered Accountants — A C Chakrabortti **Chairman**
Firm Registration No.: 325197E

R K Bagri — Sushil Jhunjhunwala **Vice Chairman & Managing Director**
Partner
Membership No. 51956 — Ajit Jhunjhunwala **Joint Managing Director**

Place: Kolkata — Alok Pandey **V P Finance & Secretary**
Date : May 13, 2014

Cash Flow Statement for the year ended March 31, 2014

		March 31,2014 ₹	March 31,2013 ₹
A	**Cash Flow from Operating Activities**		
	Net Profit before Taxation and Extraordinary Items	407,604,642	324,645,019
	Adjustment for :		
	Depreciation	70,128,354	55,586,857
	Provision for Doubtful Receivable & Advances	3,454,328	970,500
	Irrecoverable debts written off	211,566	341,136
	Provision for Dimunition in the value of Investment written back	-	(126,683)
	Loss on sale of Fixed Assets(Net)	510,266	26,143,167
	Interest Income	(1,437,644)	(575,558)
	Interest Expenses	30,273,072	35,925,432
	Dividend Income	(27,171)	(394,313)
	(Gain)/Loss on Forward Contract	-	3,919,130
	(Gain)/Loss on Redemption of Current Investment	(4,777,240)	-
	Operating Profit before working capital changes	505,940,173	446,434,687
	Movements in Working Capital		
	Decrease/(Increase) in Inventories	24,436,322	(47,588,156)
	Decrease/(Increase) in Trade Receivables,Advances and Other Assets	(46,997,272)	(23,505,469)
	Increase/(decrease) in Trade Payable and other liabilities	(2,783,563)	21,718,885
	Cash generated from operations	480,595,660	397,059,947
	Direct Taxes paid(net of Refunds)	(87,895,601)	(85,939,306)
	Net Cash from operating activities	392,700,059	311,120,641
B	**Cash flow from Investing activities**		
	Purchase of Fixed Assets	(161,346,719)	(216,225,006)
	Sale/(Purchase) of Investments	79,157,402	(74,380,162)
	Sale of Fixed Assets	28,801	1,234,492
	Dividend Received	27,171	394,313
	Interest Received	1,020,758	400,247
	Net cash used in investing activities	(81,112,587)	(288,576,116)
C	**Cash flow from Financing activities**		
	Proceeds from (Repayment of) Borrowings	(155,282,632)	45,722,942
	Gain/(Loss) on Forward Contract	-	(3,919,130)
	Interest Paid	(30,273,072)	(35,763,215)
	Dividend paid (including dividend distribution tax)	(43,140,141)	(24,556,165)
	Net Cash used in Financing activities	(228,695,845)	(18,515,568)
	Net Increase/(Decrease) in cash or cash equivalents (A+B+C)	82,891,627	4,028,957
	Cash or Cash equivalents at the beginning of the year	8,295,190	4,266,233
	Cash or Cash equivalents at the end of the year	91,186,817	8,295,190
	Components of cash and cash equivalents as at	March 31,2014	March 31,2013
	Cash in hand	232,485	413,881
	With banks	90,954,332	7,881,309
		91,186,817	8,295,190

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statement (AS 3).
This is the Cash Flow Statement 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

Place: Kolkata
Date : May 13, 2014

On behalf of the Board
A C Chakrabortti **Chairman**

Sushil Jhunjhunwala **Vice Chairman & Managing Director**

Ajit Jhunjhunwala **Joint Managing Director**

Alok Pandey **V P Finance & Secretary**

Notes to the Financial Statements

Note 1: 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.

Note 1.1: Statement of Significant Accounting Policies

Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India and comply with Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. The financial statements have been prepared under the historical cost convention 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, in all material aspects, have been consistently applied by the company and are consistent with those used in the previous year. The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of financial statements and income and expenses for the reporting period. Estimates and assumptions are reviewed on an ongoing basis.

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

(A) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Fixed Assets are classified as tangible and intangible assets.

(B) Impairment of assets

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

(C) Depreciation

Depreciation on tangible fixed assets is calculated on their respective cost on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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

Fixed assets costing below ₹5,000 are fully depreciated in the year of addition.

Leasehold land is amortised over the period of lease.

Intangible assets are amortised over useful life not exceeding 5 years.

(D) Borrowing Costs

Borrowing Costs relating to acquisition/construction of qualifying assets are 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.

(E) Expenditure on New/Expansion Projects

Expenditure directly relating to the construction activity is capitalized. Pre-operative and indirect expenditure

Notes to the Financial Statements

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 such expenditure.

(F) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are 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 Statement of Profit & Loss. 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 rentals are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(G) Grants and Subsidies

Grants and subsidies from the government are 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.

(H) Investments

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

(I) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost and net 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) / Weighted average 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.

(J) 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.

Notes to the Financial Statements

Sale of Goods

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

Interest

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

Dividends

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

(K) Foreign currency transaction

Foreign exchange transactions

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

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

Forward Exchange Contracts not intended for trading or speculation purposes.

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

(L) Employee Benefits

i. Short Term Employee Benefits.

Short term employee benefits, such as salaries, wages, performance incentives, etc. are recognized as an expense at actual amounts, in the Statement of Profit & Loss of the year in which the related service is rendered. Earned leave accrued during the year is paid after the end of the year and charged to the Statement of Profit & Loss. There is no carry forward of such leave.

ii Post Employment Benefits

(a) Defined contribution plans

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme and Government administered Pension Fund Scheme for the employees. The company makes monthly contributions towards these funds / schemes, which are recognized in the Statement of Profit & Loss in the financial year to which they relate. There is no obligation other than the monthly contributions.

(b) Defined benefit plans

The company has a defined benefit plan for Post-employment benefit in the form of Gratuity for all employees. The plan is administered through Life Insurance Corporation of India (LIC) except for the employees of Sitarganj unit which is not funded. Liability for above defined benefit plan is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method. The company presents its gratuity liability as current and non-current based on actuarial valuation. The fair value of the plan asset is reduced from the gross obligation to disclose the obligation on net basis in the Balance Sheet. Actuarial gains / losses are recognized in the Statement of Profit & Loss of the year.

Notes to the Financial Statements

(M) Income taxes

Tax expense comprises of current tax and deferred tax charge or release. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset arising on account of unabsorbed depreciation or carry forward tax losses are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

(N) Earnings Per Share

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

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

(O) Provisions

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

(P) Contingencies

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

Notes to the Financial Statements

Note 2: Share Capital

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Authorised Shares		
15,000,000 (15,000,000) Equity Shares of ₹10/- each	150,000,000	150,000,000
Issued, Subscribed and Fully Paid Up Shares		
10,597,532 (10,597,532) Equity Shares of ₹10/- each	105,975,320	105,975,320

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

	No.of Shares	₹	No.of Shares	₹
Equity Shares				
At the beginning of the year	10,597,532	105,975,320	10,597,532	105,975,320
At the end of the year	10,597,532	105,975,320	10,597,532	105,975,320

Right Attached to Equity Share

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

During the year ended 31st March 2014, the amount of dividend proposed per share to equity shareholders is ₹5/- (31st March 2013: ₹3.50).

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

Details of shareholders holding more than 5% in the company

	No.of Shares	Percentage of holding	No.of Shares	Percentage of holding
Equity Shares of ₹10 each fully paid-up				
1. Genesis Exports Limited	5,070,900	47.85%	5,070,900	47.85%
2. Ajit Jhunjhunwala	1,438,600	13.57%	1,438,600	13.57%

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

Note 3: Reserves & Surplus

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Capital Reserve - Subsidy	1,311,344	1,311,344
Securities Premium Account	14,337,340	14,337,340
Revaluation Reserve		
Balance as per last financial statement	-	1,214,135
Less: Adjustment on account of disposal of revalued assets	-	1,214,135
	-	-
General Reserve		
Balance as per last financial statement	190,000,000	150,000,000
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	50,000,000	40,000,000
	240,000,000	190,000,000
Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	429,075,137	283,691,601
Profit for the year	299,539,851	228,778,575
Less: Appropriations		

Notes to the Financial Statements

Note 3: Reserves & Surplus (Contd.)

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Proposed equity dividend [Amount per share ₹5/- (31st March 2013: ₹3.5)]	52,987,660	37,091,362
Tax on Proposed equity dividend	9,005,253	6,303,677
Transfer to General Reserve	50,000,000	40,000,000
Total Appropriations	**111,992,913**	**83,395,039**
Net Surplus in the Statement of Profit and Loss	**616,622,075**	**429,075,137**
Total Reserves and Surplus	**872,270,759**	**634,723,821**

Note 4: Long Term Borrowings

	Total Long Term Borrowings		Current maturities of Long Term Borrowings	
	31st March 2014 ₹	31st March 2013 ₹	31st March 2014 ₹	31st March 2013 ₹
Term loans from Banks				
For Sitarganj Unit (Secured)	-	208,270,853	-	58,400,000
Less: Amount disclosed under the head "Other Current Liabilities" (Note 10).	-	58,400,000	-	58,400,000
Net Amount	-	149,870,853	-	-

Note 5: Deferred Tax Liabilities (Net)

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Deferred Tax Liabilities		
Timing differences on account of depreciation	96,919,879	76,852,820
Gross Deferred Tax Liabilities	**96,919,879**	**76,852,820**
Deferred Tax Assets		
Provision for Doubtful Debts	1,817,460	907,529
Expenses allowable under Income Tax on payments	1,561,634	788,715
Gross Deferred Tax Assets	**3,379,094**	**1,696,244**
Net Deferred Tax Liability	**93,540,785**	**75,156,576**

Note 6: Other Long Term Liabilities

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Trade and other deposits	8,035,875	6,556,000
Others	5,301,073	5,301,073
Total	**13,336,948**	**11,857,073**

Note 7: Long Term Provisions

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Provision for Employee Benefits		
Provision for Gratuity (Note 31)	2,548,615	895,308
Total	**2,548,615**	**895,308**

Notes to the Financial Statements

Note 8: Short Term Borrowings

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Working Capital Borrowings from Banks (including demand loans) (Secured)	**141,836,950**	**88,848,729**

Working capital borrowing from banks is secured by hypothecation of entire current assets of the company, present and future including stock in transit and at godowns and further secured by second charge on all fixed assets of the company.

The Rate of Interest payable on Working Capital Borrowing is 0.50% p.a. above the base rate at monthly rests.

Note 9: Trade Payables

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Trade Payables (Refer Note 37 for details of dues to Micro and Small Enterprises).	**34,935,351**	**39,525,265**

Note 10: Other Current Liabilities

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Current maturities of Long term borrowings (Note 4)	-	58,400,000
Customer's Credit balances and Advances	8,814,050	4,267,527
Investor Education and Protection fund will be credited by the following amounts (as and when due)		
Unclaimed Dividend	1,426,493	1,171,595
Others		
Payable against purchase of capital assets	15,252,608	9,089,632
Statutory dues payable	17,529,859	10,113,218
Payable to Employees	29,344,940	28,452,479
Other Payables	42,727,082	42,267,439
Total	**115,095,032**	**153,761,890**

Note 11: Short Term Provisions

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Provision for Employee Benefits		
Provision for Gratuity (Note 31)	2,045,776	1,425,126
Provision for Leave Benefits	3,814,496	3,315,389
Other Provisions		
Provision for Excise Duty on Stock (Note 43)	1,169,629	7,841,853
Proposed Equity Dividend	52,987,660	37,091,362
Provision for tax on proposed equity dividend	9,005,253	6,303,677
Total	**69,022,814**	**55,977,407**

Notes to the Financial Statements

Note 12: Tangible Asset

(Amount in ₹)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture& Fixtures	Vehicles	Office Equipments	Leasehold Land	Total Tangible Assets
Gross Block								
As at 1 st April 2013	7,678,066	172,605,202	739,372,444	22,366,215	12,934,777	5,466,585	28,799,042	989,222,331
	(2,813,556)	(163,398,310)	(589,414,606)	(20,833,626)	(9,764,755)	(5,155,493)	(28,799,042)	(820,179,388)
Addition	-	10,279,383	146,642,746	5,756,966	580,000	119,717	-	163,378,812
	(4,864,510)	(9,206,892)	(215,889,658)	(2,651,516)	(3,170,022)	(311,092)	(-)	(236,093,690)
Disposals	-	-	38,196,834	-	622,334	24,500	-	38,843,668
	(-)	(-)	(65,931,820)	(1,118,927)	(-)	(-)	(-)	(67,050,747)
As at 31st March 2014	7,678,066	182,884,585	847,818,356	28,123,181	12,892,443	5,561,802	28,799,042	1,113,757,475
	(7,678,066)	(172,605,202)	(739,372,444)	(22,366,215)	(12,934,777)	(5,466,585)	(28,799,042)	(989,222,331)
Depreciation/Amortization								
Up to 31st March 2013	-	44,721,271	287,864,335	10,189,705	2,615,660	3,092,553	2,233,182	350,716,706
	(-)	(39,656,864)	(277,869,865)	(9,890,773)	(1,542,494)	(2,748,136)	(1,905,920)	(333,614,052)
Charge for the year	-	5,231,370	61,613,069	1,449,187	1,236,330	266,138	327,262	70,123,356
	(-)	(5,064,407)	(47,356,413)	(1,395,941)	(1,073,166)	(344,417)	(327,262)	(55,561,606)
On Disposals	-	-	37,658,715	-	622,334	23,552	-	38,304,601
	(-)	(-)	(37,361,943)	(1,097,009)	(-)	(-)	(-)	(38,458,952)
Up to 31st March 2014	-	49,952,641	311,818,689	11,638,892	3,229,656	3,335,139	2,560,444	382,535,461
	(-)	(44,721,271)	(287,864,335)	(10,189,705)	(2,615,660)	(3,092,553)	(2,233,182)	(350,716,706)
Net Block								
At 31 st March 2014	7,678,066	132,931,944	535,999,667	16,484,289	9,662,787	2,226,663	26,238,598	731,222,014
At 31 st March 2013	7,678,066	127,883,931	451,508,109	12,176,510	10,319,117	2,374,032	26,565,860	638,505,625

Note 13: Intangible Asset

(Amount in ₹)

Particulars	Software	Total Intangible Assets
Gross Block		
As at 1 st April 2013	132,738	132,738
	(132,738)	(132,738)
Addition	-	-
	(-)	(-)
Disposals	-	-
	(-)	(-)
As at 31st March 2014	132,738	132,738
	(132,738)	(132,738)
Depreciation/Amortization		
Up to 31st March 2013	127,740	127,740
	(102,489)	(102,489)
Charge for the year	4,998	4,998
	(25,251)	(25,251)
On Disposals	-	-
	(-)	(-)
Up to 31st March 2014	132,738	132,738
	(127,740)	(127,740)
Net Block		
At 31 st March 2014	-	-
At 31 st March 2013	4,998	4,998

Notes to the Financial Statements

Note 14: Capital Expenditure on Expansion Project (Pending Allocation)

Particulars	As at 31st March 2014 ₹ Madhupur Opal	As at 31st March 2013 ₹ Sitarganj Opal
Building under construction	-	7,135,722
Machinery under erection	123,709,948	171,120,760
	123,709,948	178,256,482
Incidental Expenditure pending allocation to Fixed Assets		
Raw Material Consumed During Trial Run	5,098,209	1,730,700
Power & Fuel	10,134,793	4,301,578
Salary, Wages & Staff Cost	6,007,837	3,805,573
Finance Cost	-	3,017,065
Other Expenses	245,200	6,385,601
Less : Stock Obtained out of Trial Run	(3,424,373)	(7,962,011)
	141,771,614	**189,534,988**
Less : Capitalised during the year	(141,771,614)	(189,534,988)
Total	-	-

Note 15: Non Current Investments

	As at 31st March 2014		As at 31st March 2013	
	Nos.	₹	Nos.	₹
Other than trade (valued at cost)				
Quoted equity instruments				
Investment in Associates				
Equity shares of ₹10 each fully paid-up in Genesis Exports Ltd	75,330	879,983	75,330	879,983
		879,983		**879,983**
Aggregate amount of quoted investments		**879,983**		**879,983**
Market value of quoted investment *				
Aggregate Provision for diminution in value of investments *		-		-

* The equity shares of Genesis Exports Limited are listed but have not been traded since many years. However based on the Audited Accounts for the year 2012-13, the breakup value per share is ₹332 which is much higher than the cost of acquisition.

Note 16: Long term Loans and Advances

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Capital Advances		
Unsecured, considered good	26,603,536	37,569,777
Doubtful	141,600	141,600
	26,745,136	37,711,377
Less: Provision for doubtful advances	141,600	141,600
Net Capital Advances	**26,603,536**	**37,569,777**
Security Deposits		
(Unsecured, considered good)		
With related parties (Note 33)	4,000,000	4,000,000
With Others	17,961,484	12,231,510
	21,961,484	**16,231,510**
Advances recoverable in cash or in kind		
Unsecured, considered good	1,602,400	1,226,656
Doubtful	225,000	225,000

Notes to the Financial Statements

Note 16: Long term Loans and Advances (Contd.)

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
	1,827,400	1,451,656
Less: Provision for doubtful advances	225,000	225,000
Net Advances recoverable in cash or in kind	1,602,400	1,226,656
Other Advances		
Advance payment of Tax (net of provisions) (under appeal)	1,212,774	1,453,627
Total	51,380,194	56,481,570

Note 17: Current Investments

	As at 31st March 2014		As at 31st March 2013	
	No. of Units	₹	No. of Units	₹
Other than trade (valued at lower of cost or fair value)				
Un Quoted- Units of Mutual Funds				
SBI Short Term Debt Fund - Regular Plan Growth	-	-	4730729.488	62,000,000
SBI Ultra Short Fund - Debt Fund - Regular Plan Daily Dividend	-	-	12364.253	12,380,162
	-	-	4743093.741	74,380,162
Aggregate amount of Unquoted investments		-		74,380,162
Aggregate Repurchase price of Unquoted investments		-		76,137,623

Note 18: Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Raw Materials	43,220,535	37,457,382
Finished Goods	17,683,398	61,739,272
Semi Finished Goods	176,482,256	161,567,780
Packing Material	11,595,158	9,512,804
Stores (including Oil & Repair Stock)	34,425,375	37,565,806
Total	283,406,722	307,843,044
The above includes Goods in Transit:		
Raw Materials	912,293	137,419
Finished Goods	-	20,462
Stores (including Oil & Repair Stock)	2,018,212	4,357,000
	2,930,505	4,514,881

Notes to the Financial Statements

Note 19: Trade Receivables

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Outstanding for a period exceeding six months from the date they are due for payment		
Secured , considered good	157,656	43,505
Unsecured, considered good	4,376,455	4,380,717
Unsecured, considered doubtful	5,347,044	2,669,987
	9,881,155	7,094,209
Less - Provision for doubtful receivables	5,347,044	2,669,987
(A)	4,534,111	4,424,222
Other receivables		
Secured , considered good	7,638,399	6,512,495
Unsecured, considered good	202,586,638	175,042,082
(B)	210,225,037	181,554,577
Total (A+B)	214,759,148	185,978,799

Note 20: Cash and Bank Balances

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Cash and Cash Equivalents		
Cash in hand	232,485	413,881
Balance with Banks:		
On Current Account	88,865,746	1,044,404
Other Bank Balances		
On Unpaid Dividend Account	1,426,493	1,171,595
Margin Money Deposit Account	662,093	5,665,310
Total	91,186,817	8,295,190

Note 21: Short term Loans and Advances

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Advances recoverable in cash or kind		
Unsecured, Considered good	16,304,533	6,175,067
Unsecured, Considered doubtful.	737,057	737,057
	17,041,590	6,912,124
Less: Provision for Doubtful Advances	737,057	737,057
Net Advances Recoverable in cash or kind	16,304,533	6,175,067
Other Advances		
Advance Payment of Tax (Net of provision)	1,364,348	2,908,476
Balances with Excise and other Revenue Authorities	12,140,602	2,494,985
	29,809,483	11,578,528

Note 22: Other Current Assets

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Unsecured, Considered good		
Interest accrued on Deposits	877,347	460,461
Export Incentives Receivable	17,061,022	11,545,810
Licence in Hand	5,959,524	11,838,267
Total	23,897,893	23,844,538

Notes to the Financial Statements

Note 23: Revenue from Operations

	2013-14 ₹		2012-13 ₹	
Revenue from Operations				
Sale of Products				
Glass & Glassware		1,800,151,100		1,573,645,726
Electricity		3,244,120		2,999,251
Other Operating Revenue				
Scrap Sales	1,529,496		1,208,914	
Export Incentives	30,638,618	32,168,114	24,909,409	26,118,323
Revenue from Operations (Gross)		1,835,563,334		1,602,763,300
Less: Excise Duty		56,978,698		63,605,689
Revenue from Operations (Net)		1,778,584,636		1,539,157,611

Note 24: Other Income

Particulars	2013-14 ₹	2012-13 ₹
Interest	1,437,644	575,558
Dividend on Current Investments	27,171	394,313
Sale of Key man Insurance policy	-	3,214,365
Gain on Exchange Fluctuations (Net)	-	4,819,845
Recovery against Provision for Doubtful Debt	777,271	625,198
Unspent Liability & unclaimed balances Written Back	2,322,032	263,662
Insurance & Other Claims	438,467	227,153
Gain on Redemption of Current Investments	4,777,240	-
Miscelleneous Receipts	1,037,754	-
Provision For Diminution in the value of Investments Written Back	-	126,683
Total	10,817,579	10,246,777

Note 25: Cost of Materials Consumed

Particulars	2013-14 ₹	2012-13 ₹
Raw Materials		
Inventory at the beginning of the year	37,457,382	47,553,156
Add: Purchases	262,416,164	255,636,287
	299,873,546	303,189,443
Less: Inventory at the end of the year	43,220,535	37,457,382
Less : Trial Run Production	5,098,209	1,730,700
Raw Materials Consumed (A)	251,554,802	264,001,361
Packing Materials Consumed		
Inventory at the beginning of the year	9,512,804	8,197,713
Add: Purchases	121,158,739	117,218,476
	130,671,543	125,416,189
Less: Inventory at the end of the year	11,595,158	9,512,804
Packing Materials Consumed (B)	119,076,385	115,903,385
Materials Consumed (A+B)	370,631,187	379,904,746
Details of Raw Materials Consumed		
Transfer paper	59,212,887	52,211,259
Borax Pantahydrate	24,629,332	48,534,684
Others	167,712,583	163,255,418
	251,554,802	264,001,361

Notes to the Financial Statements

Note 25: Cost of Materials Consumed (Contd.)

Particulars	2013-14 ₹	2012-13 ₹
Details of Inventory of Raw Materials		
Transfer paper	13,102,111	10,844,852
Borax Pantahydrate	2,564,008	3,362,988
Others	27,554,416	23,249,542
	43,220,535	37,457,382

Note 26: (Increase)/Decrease in Inventories

Particulars	2013-14 ₹	2012-13 ₹
Inventories at the beginning of the year (Glass & Glassware)		
Semi finished Goods	161,567,780	123,672,818
Finished Goods	61,739,272	46,632,928
	223,307,052	170,305,746
Add: Stock obtained out of trial run	3,424,373	7,962,011
	226,731,425	178,267,757
Less: Inventories at the end of the year (Glass & Glassware)		
Semi finished Goods	176,482,256	161,567,780
Finished Goods	17,683,398	61,739,272
	194,165,654	223,307,052
(Increase)/Decrease	32,565,771	(45,039,295)

Note 27: Employee Benefits Expenses

Particulars	2013-14 ₹	2012-13 ₹
Salaries, Wages, Bonus, Incentives & Leave pay	198,060,396	171,475,588
Contribution to Provident and other fund	12,507,880	10,662,555
Gratuity (Note 31)	2,400,128	2,366,386
Staff Welfare Expenses	4,771,779	4,153,412
Total	217,740,183	188,657,941

Note 28: Finance Costs

Particulars	2013-14 ₹	2012-13 ₹
Interest	30,273,072	38,942,497
Other Finance Charges	2,549,373	2,057,765
(Gain) / Loss on Forward Contract	-	3,919,130
	32,822,445	44,919,392
Less: Transfer to capital expenditure on expansion project	-	3,017,065
Total	32,822,445	41,902,327

Note 29: Depreciation and Amortization Expense

Particulars	2013-14 ₹	2012-13 ₹
Depreciation of Tangible Assets	70,123,356	55,561,606
Amortization of Intangible Assets	4,998	25,251
Total	70,128,354	55,586,857

Notes to the Financial Statements

Note 30: Other Expenses

	2013-14 ₹		2012-13 ₹	
Stores and spares consumed		41,548,398		36,817,538
Increase/(Decrease) of excise duty on inventories		(6,672,224)		3,021,305
Power & Fuel		242,343,929		242,713,383
Freight and forwarding charges		45,916,171		44,561,936
Rent and Hire Charges		3,522,684		4,269,609
Rates & Taxes		1,784,357		1,634,519
Insurance		1,673,264		1,654,889
Repair and Maintenance				
Plant & Machinery	7,517,422		5,090,740	
Building	2,201,743		2,809,619	
Others	1,824,284	11,543,449	2,381,659	10,282,018
Advertisement and Sales Promotion		207,500,594		147,568,385
Brokerage & Commission		1,607,936		3,286,525
Transit Loss		4,383,463		2,963,174
Travelling and conveyance		18,057,404		17,372,643
Legal and professional fees		9,468,268		8,771,858
Directors' sitting fees		250,000		305,000
Payment to Auditor				
As Auditor	670,000		580,000	
In other capacity for Cerificates	15,000	685,000	15,000	595,000
Loss on sale of fixed assets (Net)		510,266		26,143,167
Irrecoverable debts / advances written off	211,566		1,676,169	
Less : Adjusted against Provision	-	211,566	1,335,033	341,136
Provision for Doubtful Receivables & Advances		3,454,328		970,500
Prior Period Expenses (Net)		-		337,302
Loss on sale of DEPB Licences		87,729		140,486
Donation		664,000		555,100
Discount		14,907,478		13,006,987
Directors' Commission		21,905,232		17,225,917
Loss on Exchnage Fluctuations (Net)		7,874,716		-
Jharkhand Sales Tax		4,983,057		-
Miscellaneous Expenses		19,698,568		19,208,416
Total		**657,909,633**		**603,746,793**

Note 31: Disclosure under AS-15

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

	2013-14	2012-13
Discount Rate	8.25%	8%
Rate of increase in compensation level	5%	5%
Rate of Return on plan assets	9%	9%
Expected Average remaining working lives of employees (years)	14.07 to 25.33	14.93 to 25.74

Notes to the Financial Statements

Note 31: Disclosure under AS-15 (Contd.)

	2013-14	2012-13
Change in the present value of obligation		
Present value of obligation (Opening)	266,58,316	242,82,184
Current Service Cost	21,34,018	19,26,249
Interest cost	25,28,804	22,91,160
Actuarial (gains)/losses	(1,84,559)	(10,87,864)
Benefits paid	(15,68,008)	(7,53,413)
Present value of obligation (Closing)	295,68,571	266,58,316
Change in the Fair Value of Plan Assets		
Fair value of Plan Assets (Opening)	243,37,882	77,61,162
Expected Return on Plan Assets	22,19,043	14,44,457
Actual Company contribution	1,26,171	165,66,974
Actuarial Gains / (Loss)	(1,40,908)	(6,81,298)
Benefits paid	(15,68,008)	(7,53,413)
Fair value of Plan Assets (Closing)	249,74,180	243,37,882
Reconciliation of present value of obligation and the fair value of Plan Assets		
Present value of Closing funded obligation	278,65,653	253,91,770
Present value of Closing unfunded obligation	17,02,918	12,66,546
Total	**295,68,571**	**266,58,316**
Fair value of plan assets (closing) (to the extent funded)	249,74,180	243,37,882
Unfunded Net Liability recognized in the Balance Sheet	**45,94,391**	**23,20,434**
Classification of gratuity liability		
As Long Term Provision	25,48,615	8,95,308
As Short Term Provision	20,45,776	14,25,126
Total	**45,94,391**	**23,20,434**
Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	21,34,018	19,26,249
Interest cost	25,28,804	22,91,160
Expected Return on Plan Asset	(22,19,043)	(14,44,457)
Actuarial Losses /(Gains) on Obligation	(1,84,559)	(10,87,864)
Actuarial Losses /(Gains) on Plan Asset	1,40,908	681,298
Total Expenses recognized in Statement of Profit & Loss	24,00,128	23,66,386

Notes:

1. 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.
2. The estimates of future salary increase takes into account the inflation, seniority, promotion and other relevant factors on long term basis.
3. The present value of gratuity obligation of ₹17,02,918/- for employees of Sitargunj and Global unit has not been funded.
4. The Company expects to contribute ₹5.00 Lacs (Approx.) during the year 2014-15.
5. Amount for the current year and previous four years are as follows:

(₹ In Lacs)

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefits Obligations :					
Unfunded	17.03	12.67	10.10	8.64	8.27
Funded	278.65	253.91	232.72	202.93	154.63
	295.68	**266.58**	**242.82**	**211.57**	**162.90**
Fair Value of Plan Assets	249.74	243.38	77.61	73.36	61.96
Deficit	**45.94**	**23.20**	**165.21**	**138.21**	**100.94**

Notes to the Financial Statements

Note 32: Segment Information

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

a) Revenue From Operations

	2013-14 ₹	2012-13 ₹
Outside India	34,31,17,225	23,58,86,263
Within India	146,02,77,995	134,07,58,714
Total	180,33,95,220	157,66,44,977

b) Carrying amount of Trade Receivable

	2013-14 ₹	2012-13 ₹
Outside India	4,29,96,757	2,13,85,337
Within India	17,17,62,391	16,45,93,462
Total	21,47,59,148	18,59,78,799

c) The company has common fixed assets for producing goods for domestic and export markets. Hence, separate figures for fixed assets / additions to fixed assets are not furnished.

Note 33: Related Party Disclosure

Associates	Genesis Exports Ltd. Ishita Housing (P) Ltd SKJ Estate (P) Ltd. Anuradha Designers (P) Ltd
Key Management Personnel	Mr. Sushil Jhunjhunwala - Vice Chairman & Managing Director Mr. Ajit Jhunjhunwala - Joint Managing Director Ms Nidhi Jhunjhunwala - Executive Director
Relatives of key management personnel	Ms Shruti Kishorepuria. Mr. Himanshu Jhunjhunwala.

	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	₹	₹	₹	₹	₹	₹
Remuneration	-	-	4,14,44,892	3,27,78,292	15,91,586	14,77,007
Rent paid	30,00,000	30,00,000	-	-	-	-
Interest paid	-	-	-	7,03,562	-	-
Loan refunded	-	-	-	1,00,00,000	-	-
Dividend Paid	1,77,48,150	1,00,30,000	55,60,100	31,77,200	5,88,000	3,36,000
Balance outstanding as at the year end:						
Receivable	40,00,000	40,00,000	-	-	-	-
Payable	-	-	2,44,80,062	1,96,74,792	2,87,708	2,69,065

Notes to the Financial Statements

Note 34: 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 payable up to 31st March 2014 was @ Rs 2,50,000 per month as per the agreement. With effect from 1st April 2014, a new agreement has been entered for a period of 3 years at a monthly rent of Rs 2,87,500. There are no restrictions imposed on lease arrangements. There is no sub lease.

	Operating Lease	
	2013-14 ₹	2012-13 ₹
Lease payment for the year	32,02,485	32,02,485
Minimum Lease payment not later than 1 year	36,52,485	32,02,485
Later than one year but not later than Five years	77,09,940	1,51,27,440
Later than Five years	1,57,93,380	1,59,95,865

Note 35: Earning per Share (EPS)

	2013-14 ₹	2012-13 ₹
Net Profit as per statement of Profit and Loss	29,95,39,851	22,87,78,575
Weighted average number of Equity Shares	1,05,97,532	1,05,97,532
Earnings per Share (Basic and Diluted) (₹)	28.27	21.59
Nominal Value of shares (₹)	10	10

Note 36 (a): Contingent Liabilities not provided for

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Letter of credit	1,24,64,372	7,34,98,918
Bank Guarantee	1,94,564	-
Disputed Income tax	27,05,486	31,37,982
Disputed Excise duty	1,39,95,563	1,39,95,563
Disputed Sales Tax	-	47,14,326
Land Revenue	2,00,100	2,00,100

Note 36 (b): Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹2,31,78,468 (₹7,69,23,000)

Note 37: Micro, Small & Medium Enterprises

There were no dues outstanding to the suppliers as on 31.03.2014 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/ information. No interest in terms of such Act has either been paid or provided during the year.

Note 38: Earnings in foreign currency

	2013-14 ₹	2012-13 ₹
Exports at F.O.B. Value	34,24,70,080	23,53,50,442
Others	1,54,901	1,67,708
	34,26,24,981	23,55,18,150

Notes to the Financial Statements

Note 39: Expenditure in foreign currency

	2013-14 ₹	2012-13 ₹
Travelling	32,10,138	47,02,399
Technical Fee	10,46,943	2,99,193
Others	19,63,903	37,10,238
	62,20,984	87,11,830

Note 40: Value of imports calculated on CIF basis

	2013-14 ₹	2012-13 ₹
Raw materials	5,42,59,327	5,92,02,763
Components, Refractories and spare parts	3,33,94,991	85,88,712
Capital goods	8,34,66,630	16,00,35,160
	17,11,20,948	22,78,26,635

Note 41: Imported and indigenous raw materials, components and spare parts consumeds

	Percentage of total consumption		Value (₹)	
	2013-14	2012-13	2013-14	2012-13
Raw Materials				
Imported	26	34	6,56,39,297	9,01,30,773
Indigenous	74	66	18,59,15,505	17,38,70,588
	100	100	25,15,54,802	26,40,01,361
Stores & Spare Parts				
Imported	39	52	1,63,24,118	1,90,35,596
Indigenous	61	48	2,52,24,280	1,77,81,942
	100	100	4,15,48,398	3,68,17,538

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

Particulars	Currency				
	AED	Pound	Euro	USD	₹
Trade Receivables	-	-	37,175	6,44,052	4,24,19,287
	(-)	(4,686)	(-)	(3,70,000)	(2,13,85,337)
Trade & Other Payables	-	1,02,000	-	-	1,01,84,680
	(-)	(-)	(15,750)	(22,932)	(23,47,365)
Advance from Customers	100	3,650	-	1,18,364	74,79,715
	(-)	(9,594)	(4,810)	(47,319)	(36,98,011)
Advance to Suppliers	-	32,820	-	95,645	90,25,316
	(-)	(-)	(33,624)	(1,522)	(24,87,508)
Advance for Capital Goods	-	-	-	-	-
	(-)	(1,02,000)	(40,000)	(60,000)	(1,44,41,842)

Note 42 (b): There is no forward contract outstanding at the year end.

Notes to the Financial Statements

Note 43: In accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" the following provisions are in the books of accounts as at March 31st, 2013.

Description	As at 01.04.2013	Additions during the year	Utilized/Reversed during the year	As at 31.03.2014
Provision for Excise Duty	78,41,853	11,69,629	78,41,853	11,69,629
	(48,20,548)	(78,41,853)	(48,20,548)	(78,41,853)

Note 44: Previous year's figures

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

Signatories to Notes 1 to 44

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

R K Bagri
Partner
Membership No. 51956

Place: Kolkata
Date : May 13, 2014

On behalf of the Board

A C Chakrabortti **Chairman**

Sushil Jhunjhunwala **Vice Chairman & Managing Director**

Ajit Jhunjhunwala **Joint Managing Director**

Alok Pandey **V P Finance & Secretary**

NOTES

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FORM A

Format of Covering letter of the Annual Audit Report to be filled with the Stock Exchanges

1	**Name of the Company**	LA OPALA RG LTD
2	**Annual financial statements for the year ended**	31st March 2014
3	**Type of Audit Observation**	Un Qualified
4	**Frequency of Observation**	N.A.
5	**To be Signed by-**	
	CEO/ Managing Director	
	CFO	
	Auditor of the Company	Doshi, Chatterjee, Bagri & Kolkata Chartered Accountants
	Audit Committee Chairman	