



11th Annual Report 2001-2002

GOLDEN LAMINATES LIMITED

BOARD OF DIRECTORS

N.R.Aggarwal

Jagdish Gupta

Satish Gupta

Mahavir Singh

Bomi E.Dosabhoy

Ravinder Krishan

Chairman

Managing Director

Executive Director

Nominee HSIDC

Director

Director

BANKERS

State Bank of Patiala
Sector - 7-C, Chandigarh

AUDITORS

M/S. Sunil K.Sood & Co.
143, Sector - 7, Panchkula

REGD. OFFICE

SCO -14, Sector - 7C, Madhya Marg,
Chandigarh - 160 019

WORKS :

192-193, Phase - I, Industrial Estate,
Panchkula - 134 109

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of **GOLDEN LAMINATES LIMITED** will be held at Hotel President Sector - 26, Chandigarh on Monday the 30th September, 2002 at 9.30 A.M. to transact the following business.

ORDINARY BUSINESS :-

1. To consider and adopt Audited Profit & Loss Account for the Year ended 31st March, 2002 and the Balance Sheet as at 31st March, 2002 and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N.R. Aggarwal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"**RESOLVED** that pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Sunil K. Sood & Company, Chartered Accountants, the retiring auditors of the Company be and hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the financial Year 2002-2003".

"**RESOLVED FURTHER** that the auditors be paid for the financial year 2002-2003 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors".

SPECIAL BUSINESS :-

4. Re-appointment of Shri Jagdish Gupta as the Managing Director.

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution -

"**RESOLVED THAT** pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Shri Jagdish Gupta as the Managing Director of the Company for a period of five years with effect from 1st March, 2003.

"**RESOLVED FURTHER THAT** Shri Jagdish Gupta during his tenure as the Managing Director of the Company shall be paid the remuneration of Rs. 35,000/- per month and that the use of Company's Car by him for official duties and telephone at residence shall not be included in the remuneration package."

5. Re-appointment of Shri Satish Gupta as the Executive Director.

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution -

"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Shri Satish Gupta as the Executive Director of the Company for a period of five years with effect from 1st March, 2003.

"RESOLVED FURTHER THAT Shri Satish Gupta during his tenure as the Executive Director of the Company shall be paid the remuneration of Rs. 30,000/- per month and that the use of Company's Car by him for official duties and telephone at residence shall not be included in the remuneration package."

BY THE ORDER OF THE BOARD

Sd/-

JAGDISH GUPTA
(Managing Director)

Place : Chandigarh

Date : 2nd September 2002

Regd. Office :

SCO - 14, Sector - 7-C, Madhya Marg,
Chandigarh - 160 019

NOTES :

1. Explanatory Statement as per Section 173(2) of the Companies Act, 1956 is annexed with the notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend on a poll, to vote instead of himself and the proxy need not be a member :
Proxies, in order to be valid and effective must be delivered at the Registered Office of the Company not later than forty-eight hours before the commencement of meeting.
3. The Register of members and transfer books for the company will be closed from 23.09.2002 to 30.09.2002 (Both days inclusive)
4. The Members are requested to notify, immediately, change in their addresses, if any, at the Registered Office of the Company at SCO - 14, Sector - 7C, Madhya Marg, Chandigarh - 160 019, quoting their folio numbers to ensure prompt receipt of their communication.
5. As per the provisions of the amended Companies Act 1956, the facility for making nominations is available to the shareholders of the Company in respect of the share held by them.

The nomination forms can be obtained from the Registered office of the Company.

ANNEXURE TO NOTICE

As required by section 173 of the companies Act. 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under items nos. 4 & 5 of the accompanying notice dated 1st Sep. 2002.

ITEM NO. 4

Mr. Jagdish Gupta was reappointed as the Managing Director of the Company with effect from 1st March 1993 for a period of 5 years at a monthly salary of Rs. 18,000/- plus perquisites which was increased to Rs. 35,000/- per month at Annual General Meeting held on 30th September 1999. The Board at its meeting held on 01.09.2002 has reappointed Shri Jagdish Gupta, as the Managing Director of the Company with effect from 1st March 2003 at the same remuneration of Rs. 35,000/- per month.

The use of the Company's Car by him for official duties and telephones shall not be included in the remuneration package.

The share holders are requested to grant approval to the re-appointment of Shri Jagdish Gupta as the Managing Director of the Company for a further period 5 years.

Shri N.R. Aggarwal , Shri Jagdish Gupta and Shri Satish Gupta, Directors are interested in this resolution.

This may be treated as the notice under Section 302 of the Companies Act, 1956

ITEM No. 5

Shri Satish Gupta was re-appointed as the Executive Director of the Company from 1st March 1993 for a period of 5 years at a monthly salary of Rs. 15000/- plus perquisites. Which was increased to Rs. 30,000/- per month at Annual General Meeting held on 30th September 1999. The board at its meeting held on 01.09.2002 has reappointed Shri Satish Gupta, as the Executive Director of the Company w.e.f. 1st March 2003 at the same remuneration of Rs. 30,000/- per month.

The use of the Company's Car by him for official duties and telephones shall not be included in the remuneration package.

The share holders are requested to grant approval to the re-appointment of Shri Satish Gupta as the Executive Director of the Company for a further period 5 years.

Shri N.R. Aggarwal , Shri Jagdish Gupta and Shri Satish Gupta, Directors are interested in this resolution.

This may be treated as the notice under Section 302 of the Companies Act, 1956.

BY THE ORDER OF THE BOARD

Sd/-
JAGDISH GUPTA
(Managing Director)

Place : Chandigarh
Date : 2nd September 2002

Regd. Office :
SCO - 14, Sector - 7-C, Madhya Marg,
Chandigarh - 160 019

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 INDUSTRY STRUCTURE & DEVELOPMENTS

- 1.1 The industry structure of laminates and plywood can be broadly classified into two sectors viz organized and unorganized. The organized sector plants (which includes our Company) are mainly producing quality grade finished goods whereas the unorganized sector is catering to the users of the low priced finished goods.

2.0 SEGMENT WISE / PRODUCT WISE PERFORMANCE

2.1 LAMINATES

Because of competitive environment, the Company has opted for different product mix for different areas. In international market, the exports to developing countries are of low thickness high volume products, whereas to developed countries, both the high volume-low thickness and low volume-higher thickness/special products are exported.

In domestic market, various stock points have been started from where fast deliveries are made to the chain of dealer network here to, areas have been identified where only high end products are being sold and in other areas, the whole of product mix is available to the end user. This has increased our product take off very well and positive results of the same are expected to be reaped in current and future years.

2.2 PLYWOOD

The Company is producing only value added, boiling water proof, decorative & moisture resistant plywood as there is stiff competition and negligible margins in commercial plywood and it was felt that the company should not get into this product. Since plywood is sold only in domestic market (there is no export market of these products from India), it has been clubbed with laminates for stocking at various points for further sales. As dealers of both laminates and plywood are same, the Company has a distinct advantage over those competitors who are not into both the products.

3.0 OPPORTUNITIES AND THREATS

- 3.1 The demand of both the high end and low value products is growing both in the country as well as in the international market. India is one of the largest exporters of laminates of the world and the volume of exports are increasing every year. The Company is also exporting to various countries all over the globe and has a veritable list of satisfied repetitive customers.
- 3.2 The Company is mainly in competition with other organized sector producers in the domestic market and owing to strong quality products and known brand, has started expanding its base in areas hitherto untapped by it due to preoccupation with exports. The products has been well accepted in the market and the demand is growing speedily.
- 3.3 In addition to the existing range, the Company has also started exporting high end high value products and has started introducing the same in domestic market also.

4.0 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

- 4.1 The Company has a proper and adequate internal control system commensurate with the size of the business for safeguarding and protecting the use and disposition of all its assets, as well as authorization of all financial transactions. In addition to Company wide control systems, the Company has adopted all the recommendations of SEBI including constitution of the Audit Committee of the Board. All financials before placement at the Board are independently reviewed by the Audit Committee and their view and recommendations are considered for adoption by the full Board. This process ensures recognition of full accountability by the Board and forms the core of our corporate governance practices.
- 4.2 The Company's business ethics policy aims at management's commitment to conduct its business with the highest ethical standards in conformity with all applicable laws.

5.0 FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

- 5.1 Your Company has demonstrated operational efficiencies in all its functional areas – operations, marketing & procurement.
- 5.2 In spite of decreasing margins due to rise in cost of raw materials and stiff competitions in the laminates industry and high cost of depreciation on newly acquired assets the Company could make a profit of Rs. 81.17 Lacs and has a Net Profit ratio of 4.28%

6.0 HUMAN RESOURCE DEVELOPMENT

- 6.1 That employees are a key resource of an organization is indisputable. Organisations differ in their ability to harness the full potential of their employees to the creative pursuit of attaining excellence. In Golden Laminates Ltd., we have adopted multi pronged approach to address it, these are :-
- a) Aligning HR interventions to strategic goals of the organizations.
 - b) Creating an environment conducive to full participation of employees.
 - c) Learning, training and development of employees for emerging requirements of a different skill-mix.
- 6.2 **Industrial Relations :**
- The management and workers in Golden Laminates Limited maintain cordial and harmonious relations-unanimous in their belief that they have one common objective – sustainable success of the Company. All areas concerning employee's involvement, safety, health and training development solicits their unqualified participations.

7.0 RISKS AND CONCERNS

- 7.1 The laminates industry operates on thin operating margins. Its profitability and cash flows are seriously impacted by even slight changes in external environmental factors.
- 7.2 The laminates industry is highly competitive, as there are quite many players in the market. It requires a lot of thrust and efforts on the part of company in the field of marketing and advertising.

8.0 FUTURE OUTLOOK

- 8.1 Golden Laminates Limited has operated its facilities during the past years at their most optimum level and will continue to further improve its operations in the years to come.
- 8.2 Golden Laminates Limited will endeavour to maintain and indeed enhance, its leadership position in the domestic laminates industry by continually improving its product and service offering and simultaneously pursuing alternative growth opportunities in related areas in the near to medium term.
- 8.3 Your Company's business outlook in the near term remains positive. Based on initiatives already in place, and others in the pipeline, your Company can look forward confidently to overcoming the few constraining factors outlined above, and to successfully take on competition and grow in the years to come.

CAUTIONARY STATEMENT

The above analysis may contain certain 'forward looking statements' within the meaning of applicable securities laws and regulations. These forward looking statements are based on certain assumptions and expectations of future events. The Company can not guarantee that these assumptions and expectations are accurate and will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected above. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Governmental regulations, tax regimes and other factors. The Company assumes no responsibility to publicly amend, modify and revise any forward looking statements on the basis of any subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT 2001-02

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

The Directors present the Company's report on Corporate Governance :

1. CORPORATE GOVERNANCE PHILOSOPHY

A. Corporate governance relates to compliance of laws, regulations, procedures and adherence to such implicit rules and voluntary practices of the Board of Directors and the Management which ensures :

- ☐ Enhancement of shareholders value.
- ☐ Protection of the interest of other stake holders.
- ☐ Long-term Financial health of the Company.
- ☐ Providing customers with quality products and services at competitive prices.
- ☐ Environmentally friendly production methods.
- ☐ Providing for fair wages and safe working condition for employees and inviting inputs from employees in decision making.
- ☐ Contribution to the socio-economic development of the local community.

B. Achievement of desirable Corporate Governance

Board Structuring

- ☐ The Board includes Non-Executive and Independent Directors of sufficient caliber and number, for their views to influence Board's decisions.
- ☐ Independently/Non-Executive Directors are nominated as Chairperson/members of sub-committees of the Board viz. Audit Committee, Remuneration Committee & Share holders'/Investors' Grievance Committee.

Commitment of the Board

- ☐ Exercise effective control in the general affairs of the Company.
- ☐ Monitor continuous improvement in the performance of the company for the benefit of shareholders and other stakeholders.
- ☐ Establish long term and short term corporate objectives, taking into account industry structure and developments and formulate strategies in view of the opportunities and threats for achieving the set objectives, in terms of quantity, profitability and stakeholders satisfaction.
- ☐ Service investors through a mechanism of quick redressal of shareholders complaints regarding transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- ☐ To make proper financial and managerial disclosures in the Annual Report and Financial Statements.

C. Corporate Governance measures taken at Golden Laminates Limited

From inception, the board was composed of the Wholetime Directors, Non-Executive Directors and independent Directors of proven caliber.

The Remuneration Committee comprising of non-Executive and Independent Directors was formed on 4th April, 2000 to decide the performance.

The Audit committee of the Board was formed on 4th April'2000 with Non-Executive and independent Directors. The Committee was actively involved in promoting transparency.

The Shareholders'/Investors' Grievance Committee of the Board was formed on 4th April, 2000 with independent and non-executive Directors and the Managing Director. They look into the grievances voiced by shareholders through letters and ensure quick redressal.

II. BOARD OF DIRECTORS – as on 31.03.2002

A.

Composition and Category	Executive Directors	02
	Non-Executive Directors	01
	Independent Directors	03

DIRECTOR	CATEGORY	NOMINATION
Mr. N.R.Aggarwal (Chairman)	Non-Executive	
Mr. Jagdish Gupta (Managing Director)	Executive	
Mr. Satish Gupta (Executive Director)	Executive	
Mr. Ravinder Krishan	Independent	
Mr. Mahavir Singh	Independent	Nominated by HSIDC
Mr. Bomi E.Dosabhoy	Independent	

B. DIRECTORSHIPS / COMMITTEE MEMBERSHIPS OF DIRECTORS

Mr. N.R. Aggarwal	
Total Number of Directorships	02
Number of Committee Memberships across Companies	04
Directorships	Committee Memberships
1. Golden Laminates Limited	1. Audit Committee 2. Remuneration Committee 3. Shareholder'/ Investors' Grievance Committee 4. Share Transfer Committee
2. Golden Chem Tech Limited	

Mr. Jagdish Gupta	
Total Number of Directorships	05
Number of Committee Memberships across Companies	02
Directorships	Committee Memberships
1. Golden Laminates Limited	1. Shareholder'/ Investors' Grievance Committee 2. Share Transfer Committee
2. Golden Chem Tech Ltd 3. Golden Remedies (P) Ltd. 4. J.G. Electros Pvt. Ltd. 5. S.G. Evershine Farms Pvt. Ltd.	

Mr. Satish Gupta	
Total Number of Directorship	06
Number of Committee Memberships across Companies	01
Directorships	Committee Memberships
1. Golden Laminates Limited	1. Share Transfer Committee
2. Golden Chem Tech Ltd 3. Golden Remedies (P) Ltd. 4. Stylet Finance Pvt. Ltd. 5. J.G. Electros Pvt. Ltd. 5. S.G. Evershine Farms Pvt. Ltd.	

Mr. Ravinder Krishan	
Total Number of Directorships	01
Number of Committee Memberships across Companies	03
Directorships	Committee Memberships
1. Golden Laminates Limited	1. Audit Committee 2. Remuneration Committee 3. Shareholder'/ Investors' Grievance Committee

GOLDEN LAMINATES LIMITED

Mr. Mahavir Singh		Mr. Bomi E. Dosabhoy	
Total Number of Directorships		06	
Number of Committee Memberships		02	
across Companies		Nil	
Directorships	Committee Memberships	Directorships	Committee Memberships
1. Golden Laminates Limited	1. Audit Committee 2. Remuneration Committee	1. Golden Laminates Limited	
2. Flora Continental Ltd			
3. B.R.D. Textiles Ltd.			
4. R.D. Extrusions Ltd.			
5. Bhakra Industries Ltd.			
6. Zodiac Cements Ltd.			

Notes : Committee memberships of companies of Section 25 of the Companies Act, 1956, societies, trusts and committees set up by the government have been excluded.

C. Board Meetings during the Financial Year 2001-2002

	Date of Meetings	
Number of meetings - 8 (Eight)	1. 29.6.2001	5. 30.10.2001
	2. 31.7.2001	6. 21.12.2001
	3. 1.9.2001	7. 30.1.2002
	4. 12.9.2001	8. 16.2.2002

Names of Directors	Number of Board attended	Last AGM attended or not
Mr. N.R. Aggarwal (Chairman)	8	Yes
Mr. Jagdish Gupta (Managing Director)	7	Yes
Mr. Satish Gupta (Executive Director)	8	Yes
Mr. Ravinder Krishan	8	Yes
Mr. Mahavir Singh	8	Yes
Mr. Bomi E. Dosabhoy	None	No

D. Appointment / reappointment of Directors at the 12th AGM

Mr. N.R. Aggarwal is liable to retire by rotation at the ensuing annual General meeting of the Company and being eligible has offered himself for reappointment.

III. AUDIT COMMITTEE

A. Date of formation – 4th April, 2000

B. Terms of Reference :-

The following terms of reference were adopted at the Board meeting held on 4th April, 2000.

1. To review reports of the Internal Audit Dept. and recommend to the Board to decide about the scope of its work including the examination of major items of expenditure.
2. To meet statutory and internal auditors periodically and discuss their findings, suggestions and other related matters.
3. To review the auditors report on the financial statements and to seek clarification thereon. If required from auditors.
4. To review the weakness in the internal controls if any, reported by the internal and statutory auditors and reports to the Board the recommendation thereto.
5. To act as a link between the statutory and internal auditors and Board of Directors.
6. To recommend a change in the auditors if in the opinion of the Committee the auditors have failed to discharge their duties adequately.