



13th Annual Report 2003-2004

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

IFB, Sector -8, Chandigarh

Report AUDITORS ion.com

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 Thirteen Annual General Meeting of the Members of **GOLDEN LAMINATES LIMITED** will be held at Chandigarh Club Sector-1, Chandigarh on Thursday the 30th September, 2004 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, 2004 and the Balance Sheet as at 31st March, 2004 and the Report of Directors and Auditors there on.
2. To appoint a Director in place of Mr. Bomi E. Dosabhoj, who retires by rotation and being eligible, be considered 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 2004-2005".

"RESOLVED FURTHER that the auditors be paid for the financial year 2004-2005 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors".

SPECIAL BUSINESS :-

4. Increase in remuneration of Shri. Jagdish Gupta, Managing Directors :-
To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution -
"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 other applicable provisions, if any, of the Companies Act, 1956, the monthly remuneration of Shri Jagdish Gupta, Managing Director be increased from Rs. 35,000/- to Rs.65,000/- p.m. with effect from 1.10.2004 and that the use of company's car and telephone at residence used by him for official duties, shall not be included in the remuneration package."
5. Increase in remuneration of Shri. Satish Gupta, Executive Director;-
To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution
RESOLVED THAT pursuant to Section 198, 269, 309 and 310 and other applicable provisions if any, of the Companies Act, 1956 the monthly remuneration of Shri Satish Gupta, Executive Director be increased from Rs. 30,000/- p.m. to Rs.60,000/- p.m. with effect from 1.10.2004 and that the use of company's car and telephone at residence

used by him for official duties, shall not be included in the remuneration package.

BY THE ORDER OF THE BOARD

Sd/-
JAGDISH GUPTA
(Managing Director)

Place : Chandigarh
Date : 1st September 2004

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 23.09.2004 to 30.09.2004 (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 shares held by them.

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

EXPLANATORY STATEMENT AS PER SECTION 173(2) OF THE COMPANY ACT, 1956:**ITEM NOS. 4 & 5**

Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Executive Director were re-appointed for five years on their respective posts with effect from 1st March, 2003 on monthly salary of Rs. 35000/- p.m. and Rs. 30,000/- p.m. respectively.

However in view of the rise of cost of living the Board has decided to increase their monthly remuneration to Rs. 65000/- p.m. for Shri Jagdish Gupta, Managing Director and Rs. 60000/- p.m. for Shri Satish Gupta, Executive Director.

The Members are requested to grant their consent and pass the resolutions as Ordinary Resolutions.

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

It may also be treated as notice Section 302 of the Companies Act, 1956.

BY THE ORDER OF THE BOARD

Sd/-

JAGDISH GUPTA
(Managing Director)

Place : Chandigarh

Date : 1st September 2004

Regd. Office :

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

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING
ANNUAL GENERAL MEETING**

(In Pursuance of Clause 49 of the Listing Agreements)

Name of Director	-	Shri Bomi E. Dosabhoy
Date of Birth	-	1.5.38
Date of Appointment	-	18-11-92
Expertise in specific	-	Renowned Industrial Consultant
Qualifications	-	B. Sc
List of Companies in which outside Directorship held as on 31.3.2004	-	Nil
Chairman / member of the committee of the Boards of Companies on which he is a Director as on 31.3.2004	-	Nil

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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.

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 have 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.
- 4.2 The periodic internal audit process strives to ensure compliance of internal control system.
- 4.3 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.
- 4.4 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.

- 4.5 Financial and administrative authority granted to the Managing Director and other senior executives is clearly defined and documented ensuring complete accountability and adequate internal control.

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. 64.76 Lacs and has a Net Profit ratio of 3.75%.
- 5.3 Your company demonstrated strict control over working capital operations and cash management.
- 5.4 The debt to equity at 0.43:1 as on 31.03.04 gives the company sufficient borrowing capacity for future projects.

6.0 HUMAN RESOURCE DEVELOPMENT

- 6.1 We believe that human resources are the basic source of value in all aspects of its business. We acknowledge the importance of human resource strength and attracting talent creating an environment to excel and advancing the best talent. In Golden Laminates Ltd., we have adopted multi pronged approach to address it, these are :-
- Aligning HR interventions to strategic goals of the organizations.
 - Creating an environment conducive to full participation of employees.
 - Learning, training and development of employees for emerging requirements of a different skill-mix.

Your company considers its employees as one of the key stake holders. It has created an HR environment, which fosters -

- Speed & agility in responding to the changing environment.
- Learning & innovation to survive & prosper.
- Integrity and candour in all operations and
- Good corporate citizenship.

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 employees' 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 an 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 towards investment in attractive business, opportunities aligned with our own strategy and values. 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.
- 8.4 Key priority area of the company is to ensure an environmental sustainability using suitable processes and improved the new technology.

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 2003-04

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

Corporate Governance is system, by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in one corporation, such as the Board, Managers, Shareholders and other stake holders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objective of 'REACHING TOMORROW FIRST' is set and the means of attaining these objectives and the system of monitoring performance is institutionalised.

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 conditions 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.