



# **14<sup>th</sup> Annual Report 2004-2005**

**GOLDEN LAMINATES LIMITED**

## BOARD OF DIRECTORS

N.R. Aggarwal

Jagdish Gupta

Satish Gupta

Mahavir Singh

Satpal Garg

Ravinder Krishan

Chairman

Managing Director

Executive Director

Nominee, HSIDC

Director

Director

### BANKERS

**State Bank of Patiala**

S.C.O. 103-107, Sector -8C, Chandigarh - 160018

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### 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 Fourteenth Annual General Meeting of the Members of **GOLDEN LAMINATES LIMITED** will be held at Chandigarh Club Limited, Sector-1, Chandigarh on Friday the 30th September, 2005 at 10.30 A.M. to transact the following business.

### ORDINARY BUSINESS :-

1. To consider and adopt Audited Profit & Loss Account for the Year ended 31st March, 2005 and the Balance Sheet as at 31st March, 2005 and the Report of Directors and Auditors there on.
2. To appoint a Director in place of Mr. Ravinder Krishan, 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 2005-2006".

"**RESOLVED FURTHER** that the auditors be paid for the financial year 2005-2006 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors".

### SPECIAL BUSINESS :-

4. APPOINTMENT OF DIRECTOR / RELATIVES OF DIRECTORS TO THE OFFICE OF PROFIT

To Consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution -

"**RESOLVED THAT** pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the company is granted to the appointment of Shri N.R. Aggarwal, Chairman & Director of the Company as Financial Advisor of the Company at a salary of Rs.15000/- per month, Smt. Usha Gupta, wife of Shri Jagdish Gupta, Managing Director of the Company as Assistant Export Manager at a salary of Rs.20000/- per month and Smt. Pushpa Gupta wife of Shri Satish Gupta, Executive Director of the Company as Manager (Administration) at a salary of Rs.20000/- per month, with effect from 1st October, 2004."

5. REGULARISATION OF ADDITIONAL DIRECTOR

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

"**RESOLVED THAT** pursuant to Section 260 and other applicable provisions if any, of the

Companies Act, 1956 Shri Satpal Garg, who was appointed an Additional Director of the Company vide Board Meeting held on 1st October 2004, be and is hereby regularised as the Director of the Company"

**BY THE ORDER OF THE BOARD**

**Sd/-**

**JAGDISH GUPTA**  
(Managing Director)

Place : Chandigarh

Date : 1st September 2005

**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 23.09.2005 to 30.09.2005 (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 NO. 4**

The Board of Directors, after giving due consideration to the expertise and the contribution they can make to the progress of the Company, had appointed Shri N.R. Aggarwal, Chairman & Director of the Company as Financial Advisor of the Company at a salary of Rs.15000/- per month, Smt. Usha Gupta, wife of Shri Jagdish Gupta, Managing Director of the Company as Assistant Export Manager at a salary of Rs.20000/- per month and Smt. Pushpa Gupta, wife of Shri Satish Gupta, Executive Director of the Company as Manager (Administration) at a salary of Rs.20000/- per month, in the Board meeting held on 1st October 2004.

Since these appointments are governed by Section 314 of the Companies Act, 1956 the compliance of which requires the post - facto approval of shareholders in the General Meeting.

The members are requested to grant their consent and pass the resolution as a special Resolution.

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

**ITEM NO. 5**

Shri Satpal Garg had been appointed as an Additional Director in the Board Meeting held on 1st October 2004. As per section 260, the tenure of the Additional Director is only till the conclusion of the following Annual General Meeting unless regularised there in as a Director

In consideration of the sharp business knowledge of Shri Satpal Garg and contribution made by him to the progress of the Company, the Board of Directors proposes that he be regularised as a Director of the Company.

The members are requested to grant their consent and pass the resolution as an Ordinary Resolution.

None of the Directors are interested in the resolution.

**BY THE ORDER OF THE BOARD**

Sd/-

**JAGDISH GUPTA**  
(Managing Director)

Place : Chandigarh

Date : 1st September 2005

**Regd. Office :**

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

**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN FORTHCOMING  
ANNUAL GENERAL MEETING****(In Pursuance of Clause 49 of the Listing Agreement)**

Name of Director	-	Shri Ravinder Krishan
Date of Birth	-	1.4.42
Date of Appointment	-	18-11-92
Expertise in specific Consultant	-	Renowned Income Tax Lawyer
Qualifications	-	B.A. LLB
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 31.3.2005	-	3

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE & DEVELOPMENTS**

The industry structure of Laminates can be broadly classified into two sectors viz; Organised and Un-organised sector. The organized sector plants, including our company, are mainly producing High Quality Grade Laminates catering to International as well as Domestic markets. The demand for Laminates in domestic market is increasing rapidly on account of hectic activity in housing sector. The Company has opted for different product-mix market-wise.

### **OPPORTUNITIES AND THREATS**

The demand for laminates is growing both in the country as well as in the international market. India is one of the largest exporters of Laminates in the world and volume has been increasing every year. The Company is exporting to various countries all over the world and has satisfied customers with repeated order and exploring new market as well.

In domestic markets, the demand for Laminates is increasing rapidly on account of hectic activity in housing sector. In view of this, various stock points have been started from where speedier deliveries can be made to retail dealers.

However, increased demand has led to significant numbers of players who have entered into this profitable arena. As a result, your Company is facing pressures on volumes and price.

To combat the same, your company is focusing on cost reduction measures through reduction of wastages, effective supply chain management and continued focus on quality research and development.

### **FUTURE OUTLOOK**

The Company is aiming for a healthy growth which will be achieved through an appropriate mix of international and domestic business. The Company is also trying to add up new product segment in Laminates which will help to penetrate into newer markets. The Company has installed new machinery thus increasing its manufacturing capacity.

### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

The Company maintains an adequate and effective internal control system commensurate with its size and complexity. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The internal control systems are supplemented by an extensive programme of internal audits, periodic review by management and documented policies and procedures. They are designed to ensure that the financial transactions are correctly recorded and reported. An independent internal audit function is an important element of the company's internal control system.

**FINAICNAL PERFORMANCE**

During the year, the Company has earned a post-tax profits of Rs. 67.72 Lacs. The profitability of the company has also received a set back due to reduction in the export incentive under DEPB scheme and increase in raw material costs. However, due to operational efficiency and better realizations the Company has maintained the bottom line.

**HUMAN RESOURCE / INDUSTRIAL RELATIONS**

The Company has been maintaining healthy and cordial relationship with its staff and workers. The Company has been striving hard to up-grade their skills through continuous learning and in-house training programmes.

**CAUTIONARY STATEMENTS**

*The above statements in the Management's Discussion and Analysis are "forward-looking statements" with in meaning of applicable securities laws and regulations. These forward- looking statements are based on certain assumptions and expectation of future events. 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, changes in government regulations, tax regimes and other economic developments.*





## **CORPORATE GOVERNANCE REPORT 2004-05**

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

Corporate Governance is about commitment to values, pursuing excellence and maintaining transparency, accountability and ethical business standards. It is a 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 'REACHING TOMORROW FIRST' is set and the means of attaining these objectives and the system of monitoring performance is institutionalized.

Corporate Governance, in practical sense, can be defined as a mechanism through which companies are governed to enhance their wealth generating capacity through legal, ethical and transparent means.

### **CORPORATE GOVERNANCE PHILOSOPHY**

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 stakeholders.
- ☐ Long-term Financial health of the Company.
- ☐ Providing customers with quality products and services at competitive prices
- ☐ Environment 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.
- ☐ Ethical code of conduct
- ☐ Foster the culture of constructive dissent
- ☐ Transparency in reporting and records
- ☐ Management is the trustee of the shareholders' capital and not the owner
- ☐ Strict regulatory compliance
- ☐ Make a clear distinction between personal conveniences and corporate resources.

## **CORPORATE GOVERNANCE POLICY**

Golden Laminates Limited has based its Corporate Governance Policy on the following parameters as required under Clause 49 of the Listing Agreement with the Stock Exchange :-

- A) Board Composition,
- B) Board Meetings
- C) Board Committees
- D) CEO/CFO Certification
- E) Management review and responsibility
- F) Shareholders' perception and information
- G) Compliances
- H) Risk Management

### **Board Composition :-**

- ☐ The Board includes Non-Executive and Independent Directors of sufficient caliber and number, for their views to influence Board's decisions.
- ☐ Independent/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 etc.
- ☐ To make proper financial and managerial disclosures in the Annual Report and Financial Statements.