



15th Annual Report 2005-2006

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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 Saturday the 30th September, 2006 at 09.30 A.M. to transact the following business.

ORDINARY BUSINESS :-

1. To consider and adopt Audited Profit & Loss Account for the Year ended 31st March, 2006 and the Balance Sheet as at 31st March, 2006 and the Report of Directors and Auditors there on.
2. To appoint a Director in place of Mr.N.R. Aggarwal, who retire 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 2006-2007".

"RESOLVED FURTHER that the auditors be paid for the financial year 2006-2007 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors".

SPECIAL BUSINESS :-

4. 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 the consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to mortgage, charge and / or hypothecate all or any part of the moveable and/or immoveable properties, both present and future of every nature and kind, wheresoever situated and/or to create a floating charge on all of the movable and/or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of the State Bank of Patiala (SBOP) and/or any other Bank(s)/Financial Institution(s) in order to secure the repayment of various credits facilities given/to be given by it/them together with the interest at the respective agreed rates, compound/additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in terms of respective Loan Agreement/Heads of Agreement/Letters of Sanction/Memorandum of terms and conditions or any Agreement as may be entered or to be

entered into by the Company, in respect of such credit facilities. Resolved further that the Board of Directors of the Company be and is hereby authorized to approve the documents and such other agreements for creation of charge as aforesaid and to do all such acts, deeds, matters and things as may as necessary or expedient for giving effect to the above resolution".

**BY THE ORDER OF THE BOARD
For GOLDEN LAMINATES LIMITED**

Place : Chandigarh
Date : 28th July, 2006

Sd/-
JAGDISH GUPTA
(Managing Director)

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

The Company is already availing the working capital facilities/term loan from SBOP. Both these facilities are presently secured by way of 2nd charge on the fixed assets of the Company including equitable mortgage of land and building consequent upon satisfaction of 1st charge of HFC by our company the credit facilities from State Bank of India and are now to be secured by way of first charge (upgradation from 2nd charge) on all the fixed assets of the Company including equitable mortgage of land and building. Section 293 (1) (a) of the Companies Act, 1956 provides for the approval of members at the General Meeting for creation of mortgage and charge. None of Directors is interested in the proposed resolution.

**BY THE ORDER OF THE BOARD
For GOLDEN LAMINATES LIMITED**

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Place : Chandigarh
Date : 28th July, 2006

Sd/-
JAGDISH GUPTA
(Managing Director)

NOTES :

1. 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.
2. Explanatory Statement as per Section 173(2) of the Companies Act, 1956 is annexed with the notice.
3. The Register of members and transfer books for the company will be closed from Tuesday 26.09.2006 to Saturday 30.09.2006 (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.

**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 N.R. Aggarwal
Date of Birth	-	6.9.1925
Date of Appointment	-	28-10-1991
Expertise in specific	-	Financial Advisor
Consultant		
Qualifications	-	B.A.
List of Companies in which outside Directorship	-	1
held as on 31.3.2006		
Chairman / member of the committee of the Boards	-	Nil
of Companies on which he is a Director as on 31.3.2006		

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.

FINANCIAL PERFORMANCE

During the year, the Company has earned a post-tax profits of Rs. 138.41 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 2005-06

(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.

Corporate Governance measures taken at Golden Laminates Limited

From inception, the board was composed of the Wholtime 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.

A. BOARD OF DIRECTORS – as on 31.03.2006

(a)	Composition and Category	Executive Directors Non-Executive Directors Independent Directors	02 01 03
	DIRECTOR Mr. N.R.Aggarwal (Chairman) Mr. Jagdish Gupta (Managing Director) Mr. Satish Gupta (Executive Director) Mr. Ravinder Krishan Mr. Mahavir Singh Mr. Satpal Garg	CATEGORY Non-Executive Executive Executive Independent Independent Independent	NOMINATION Nominated by HSIDC

(b) DIRECTORSHIPS / COMMITTEE MEMBERSHIPS OF DIRECTORS

Mr. N.R. Aggarwal Total Number of Directorships 02 Number of Committee Memberships 04 across Companies		Mr. Jagdish Gupta Total Number of Directorships 06 Number of Committee Memberships 02 across Companies	
Directorships	Committee Memberships	Directorships	Committee Memberships
1. Golden Laminates Limited	1. Audit Committee 2. Remuneration Committee 3. Shareholder'/ Investors' Grievance Committee 4. Share Transfer Committee	1. Golden Laminates Limited	1. Shareholder'/ Investors' Grievance Committee 2. Share Transfer Committee
2. Golden Chem Tech Limited		2. Golden Chem Tech Ltd 3. J.G.Electros Pvt. Ltd. 4. S.G.Evershine Farms Pvt. Ltd. 5. Golden Netsoft Pvt. Ltd 6. Zeal Exim 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. Stylet Finance Pvt. Ltd.	
4. J.G.Electros Pvt. Ltd.	
5. S.G.Evershine Farms Pvt. Ltd.	
6. Golden Netsoft Pvt. Ltd	
7. Evershine Software 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

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

Mr. Satpal Garg	
Total Number of Directorships	01
Number of Committee Memberships across Companies	Nil
Directorships	Committee Memberships
1. Golden Laminates Limited	

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.

B. BOARD MEETINGS DURING THE FINANCIAL YEAR 2005-2006

	Date of Meetings	
Number of meetings - 7	1. 29-04-2005	7. 28-02-2006
	2. 31-05-2005	
	3. 28-07-2005	
	4. 30-09-2005	
	5. 29-10-2005	
	6. 30-01-2006	

Names of Directors	Number of Board attended	Last AGM attended or not
Mr. N.R. Aggarwal (Chairman)	7	Yes
Mr. Jagdish Gupta (Managing Director)	7	Yes
Mr. Satish Gupta (Executive Director)	7	Yes
Mr. Ravinder Krishan	4	No
Mr. Mahavir Singh	4	No
Mr. Satpal Garg	7	Yes

(d) Appointment / reappointment of Directors at the 15th AGM

Mr. N.R. Aggarwal is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible be considered for reappointment.

C. BOARD COMMITTEES**I. 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 Interenal 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.
7. The Audit Committee shall have powers which should include the following :-
 - a. to investigate any acitivity within these terms of reference.
 - b. to seek information from any employees
 - c. to obtain outside legal or other professional advice.
 - d. to secure attendance of outsiders with relevant expertise, if it considers necessary.
8. The role of the Audit Committee shall include the following ;
 - a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
 - c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on.