

48<sup>th</sup> Annual Report 2008-09



**GEE Limited**

*The Power of Welding*

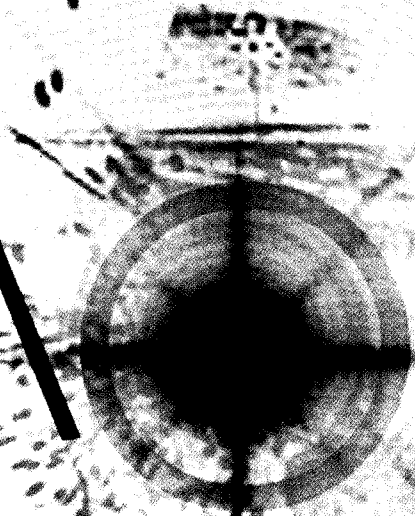
The Power of Welding  
GEE Limited



of Welding

POWER

The



# C Contents

---

Board of Directors	4
Financial Highlights	5
Mission & Vision Statement	6
Five Years at a Glance	7
Directors' Report	8-12
Report on Corporate Governance	13-22
Auditor's Report	23-25
Balance Sheet, Profit & Loss Account	26-27
Cash Flow Statement	28
Schedules, Balance Sheet Abstract	29-45



# MID's message

---

*Dear shareholders,*

I welcome all of you with open arms for this 48<sup>th</sup> Annual General Meeting of our company.

Let us rejoice that we have achieved a turnover of Rs. 1350.25 Million, which is 68 % higher on last year's performance figure. No doubt in my message in our last year's annual report I had indicated a sales target of Rs. 1500 Million. So I owe you a clarification on two counts: First, why there was a shortfall on the targeted figure. Second, how we could achieve the present turnover figures.

During the year, worldwide recession was sweeping most of the economies including our own. Like many other industries it drastically affected steel and steel based enterprises and outfits to a very large extent. Naturally, it reflected on the welding industry considerably as construction and fabrication depended on steel and steel alone and that was on a downturn. Added to these woes were the unstable situations covering foreign exchange and raw material prices.

But we are not a people to close our eyes and say it is dark everywhere. We were confident that our economy was on a growth path and would recover from the ills of recession sooner than many others. One good reason is our financial sector is sound, safe, and well capitalised. As some industry experts have opined, in many situations growth takes place in turbulent times rather than in peaceful and placid circumstances. With such a mind set we formulated many policies and deployed them as programmes. Some of them are discussed here.

As GEE Products are much-preferred brands in the marketplace we decided to augment production capacities. We thus acquired three more factories all in Kolkata. We have now arrived at a formidable position to produce and supply welding consumables with a total capacity of 19,200 Metric tons. This figure includes capacities of GEE's existing plants at Kalyan and Kolkata as well. And to scale up further capacity expansion of both the plants, vigorous plans are in the offing. These are expected to materialize in the immediate future. Another interesting aspect is that we have added on new extrusion press, dry mixer, wet mixer and conveyor all designed and built in-house.



With our global mindset we have activated outsourcing of welding wires and fluxes of a wide range and grade to meet the domestic demand for welding automation. This again helped to improve on the sales performance figure.

We have brought in considerable improvements in our consumable portfolio. As we are sensitive to customer needs new features are added to some of the existing consumable particularly in the stainless steel category. Our R&D and marketing teams interface and interact closely keeping an intimate contact with customers and prospects all the time, so that nothing goes amiss. The same approach and attitude is in practice with dealer network as well so as to maximize market coverage.

On the export front we are doing quite well in terms of volume and value. We have improved on our footprint in these markets adding more customers at different states in the Middle East, East Africa and Far East. To augment and network our operations we have now set up a sales office in Dubai.

Taking into account the recent budget announcements our economy will soon be on the path of rapid economic growth. Investments in infrastructure will be massive. Likewise in critical sectors like oil, defence, nuclear, space industry and many others. Huge foreign investments are expected in a wide range of industries. We will be a high-growth economy. We are keeping a close watch on the trend and developments that follow to rise to the occasion with the right welding consumables.

As we have to respect the market trends we are keeping our IT project at Wagle estate on hold. The reason is the Real Estate Sector is on a slow down. But this will change soon, we hope so. We then shall gear up our plans and programmes as reported earlier.

The Board has proposed a dividend of 15%. Further the Board has recommended issue of bonus shares in the proportion of one equity share for every four shares held.

Yours sincerely,

S. L. Agarwal  
Managing Director



# B oard of Directors

---

**S. L. Agarwal**

Managing Director

**S. M. Agarwal**

Executive Director

**M. P. Dhanuka**

Executive Director  
(Marketing & Technical)

**Utsav Kapadia**

Director

**Avinash Saraf**

Wholetime Director

**Ashok Kumar**

Director

**K. M. Panthaki**

Director

**Sujit Sen**

Director

**Registered Office :**

Plot No : E-1, Road No. 7, Wagle Industrial Estate,  
Thane (West)- 400 604

**Auditors :**

M/s Ford, Rhodes,  
Parks & Co Chartered Accountants

**Registrars & Share Transfer Agent :**

Sharepro Services (India) Pvt. Ltd.  
13 AB Samhita Warehousing Complex, 2nd Floor  
Off. Andheri Kurla Road, Sakinaka Telephone Exchange Lane  
Sakinaka, Andheri (E), Mumbai 400 072

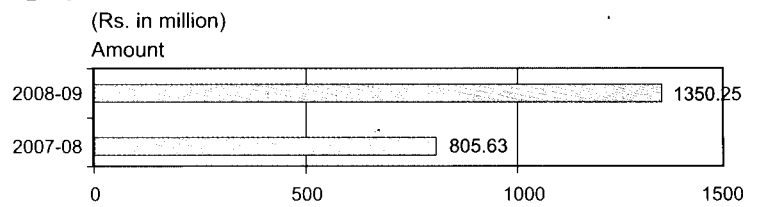
**Bankers :**

The Thane Janata Sahakari Bank Ltd.  
ICICI Bank Limited

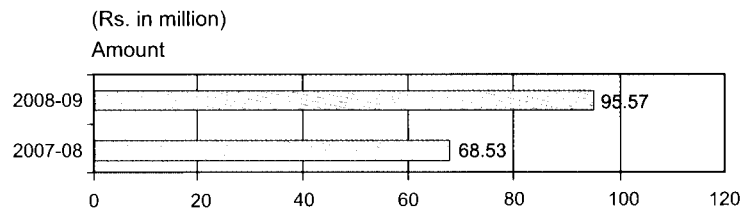


# H Highlights 2008-2009

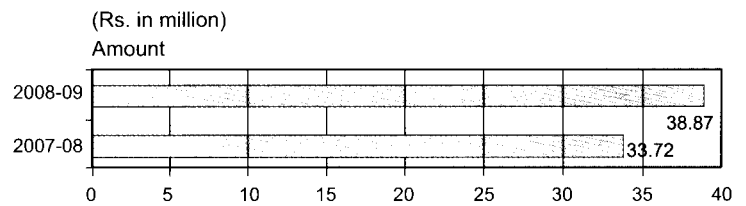
## REVENUE



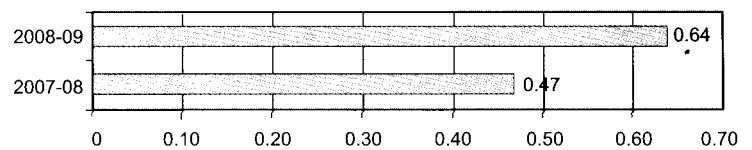
## EBITDA



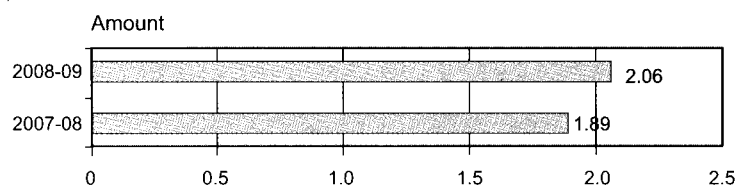
## PAT



## DEBT EQUITY (Ratio)



## EPS (Rs)





# MISSION

---

Welding touches the life and lifestyles of all of us in one way or the other as it plays a vital role in all metal working industries. Our mission therefore is to continuously improve our products, processes and practices, besides bringing in innovations through in-house research and refinement. We will, as an on-going exercise, draw on the strengths of our associates abroad for high-tech products, processes and systems and adapt them to meet domestic demands. All these are aimed at to delight our customers beyond their expectations and heighten the shareholder value all the time. We shall make special efforts to keep employees happy besides all other publics who are impacted by our operations.

# VISION

---

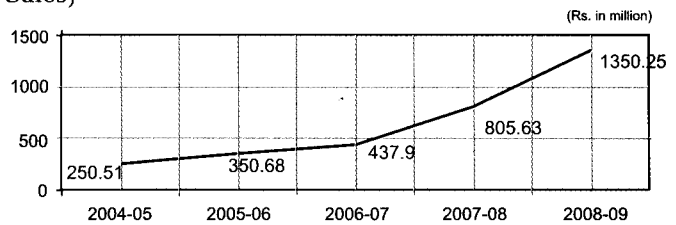
GEE Limited is a significant player in the welding industry in India. We look at the future with a lot of aspirations to get counted among the best in the world. Our vision is to make quantum jump in welding technology development and acquisitions, nurture them and lay them bare before the end users so that every welding site and shop floor will have the indelible imprint of GEE's name.



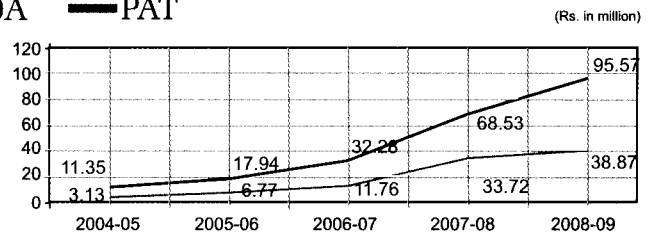


# Five Years at a Glance

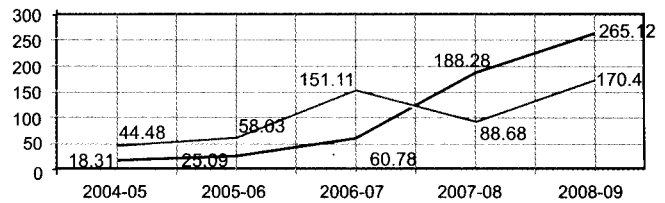
**REVENUE**  
(Gross Sales)



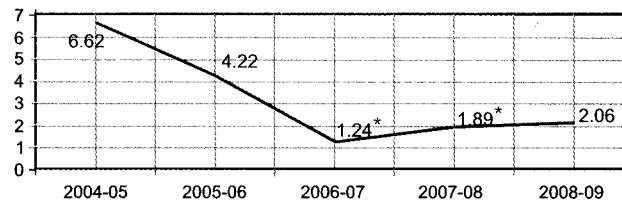
**EBITDA** **PAT**



**LOAN FUNDS** **SHAREHOLDER FUNDS**



**BASIC EPS**



\* Restated EPS



**DIRECTORS' REPORT**

**Dear Shareholders**

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

**Financial Results**

Key aspects of your Company's financial performance for the year 2008-09 are tabulated below:  
 (Rs. in million)

	<b>2008-2009</b>	<b>2007-2008</b>
Sales (Gross) & Other Income	1354.86	807.00
Profit before Interest & Depreciation	95.57	68.52
Financial Charges	24.53	13.35
Depreciation	6.21	4.03
Profit before Taxes	64.83	51.15
Payment / Provision for Taxes	25.97	17.43
Profit after Taxes	38.86	33.72
Profit brought forward	37.17	11.16
Appropriation to:		
General Reserve	6.5	2.5
Proposed Dividend	7.08	4.45
Tax on Proposed Dividend	1.20	0.76
Profit carried to Balance Sheet	61.24	37.17

**Bonus Issue**

Your Directors have recommended issue of bonus shares in the proportion of 1 (One) equity share for every 4 (Four) equity shares held, subject to approval of shareholders.

**Dividend**

Your Directors have also recommended, for consideration of shareholders at the Annual General Meeting, dividend @ 15% (Rs. 0.30/- per share of Rs. 2 each), on 2,36,25,879 equity shares including 47,25,176 equity shares issued on account of bonus shares. The Dividend will be paid in compliance with applicable regulations.

**Business Operations**

A volatile situation covering foreign exchange and raw material prices and a recessionary environment dominating the economic scenario during the year ended March 31, 2009, have adversely impacted the performance of the Company and kept margins under pressures. However, your Company was able to weather these pressures and achieved remarkable growth of around 68% in gross revenues. This was mainly due to a higher thrust placed on custom-made electrodes, tighter control over costs, improvement in productivity and other operational parameters. Further, the results of the year under review include working of the three units merged with the Company.

To face the adverse economic circumstances, the Company has initiated measures like expansion of its production capacity and has embarked on ambitious expansion plan with a capital outlay of around Rs. 500 Millions. The expansion would be carried out at its Kalyan and Kolkata Plants. The State Bank of India has sanctioned a term loan of Rs. 330 Millions for the said expansion. As per plans, barring unforeseen circumstances, the new facilities shall start operation by April 2010.

The highlights are discussed under the Management Discussion and Analysis attached as Annexure - D to this report. Your Company is well positioned to benefit as and when there is an improvement in the consumer confidence and a recovery in demand in the future.

**Diversification Projects**

As reported last year, your Company intends to develop its Wagle Estate land (13400 sq. mtr.) into an IT Park for which necessary approvals from Government Authorities have also been obtained. However, in the light of the changing market scenario i.e. a slowdown in the real estate sector, the Company has thought it appropriate to go slow on the project. The Company would again speed up the development once the real estate market starts picking up.



### **Increase in Capital**

The Company during the year under review, has on April 7, 2008 converted 5,00,000 warrants issued to non-promoter into equivalent number of equity shares of Rs. 2 each.

The Company, further, on February 23, 2009 had issued and allotted 901,786 equity shares of Rs. 2 each pursuant to the scheme of merger to the shareholders of (i) Ferroseal India Pvt. Ltd. (ii) Filarc Engineers Pvt. Ltd. (iii) Sagar Merchandise Pvt. Ltd.

Giving effect to the announcement of bonus issue for the FY 2008, the Company also issued 31,50,117 equity shares of Rs. 2 each to the existing shareholders of the Company on January 10, 2009.

As such the Company's Equity Capital during the year has gone up from 1,43,48,800 Equity shares of Rs. 2 each to 1,89,00,703 Equity Shares of Rs. 2 each.

### **Amalgamation of Companies**

The Scheme of Amalgamation of the Company with (i) Ferroseal India Pvt. Ltd., (ii) Filarc Engineers Pvt. Ltd. and (iii) Sagar Merchandise Pvt. Ltd. has been approved by the respective high courts and became effective from 01.04.2009. Pursuant to the said scheme of amalgamation, 901,786 equity shares of Rs. 2 each of the Company have been allotted to the shareholders of the transferor companies. It is expected that the amalgamation will enable appropriate consolidation and integration of the activities with more efficient utilization of their resources. The amalgamation will also result in the formation of a larger and stronger entity having greater capacity for conducting its operations more efficiently and competitively.

### **Energy, Technology & Foreign Exchange**

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto in Annexure-A.

### **Fixed Deposits**

The Company has neither accepted nor renewed any Fixed Deposit from the public during the year and as on 31<sup>st</sup> March 2009, there were no outstanding deposits.

## **CORPORATE MATTERS**

### **Corporate Governance**

The Company has complied with the Corporate Governance code as stipulated under the listing agreement executed with the Stock Exchange. A separate section on Corporate Governance along with a certificate from the auditors of the company confirming the compliance is annexed and forms part of this Report.

### **Directors**

Mr. R. K. Agarwal, Mr. Om Prakash Agarwal and Mr. Umesh Agarwal have resigned from the directorship w.e.f 29.07.2009 owing to personal reasons. The Board records its appreciation for their services during the tenure of directorship.

Mr. Sujit Sen, Director, Mr. Avinash Saraf, Wholetime Director, and Mr. M. P. Dhanuka, Executive Director (Marketing), retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The necessary resolutions are being placed before the shareholders for approval.

### **DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

#### **Your Directors hereby confirm that:**

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.



**Internal Control System and Adequacy**

Your Company maintains an adequate system of internal control including a suitable monitoring process. For the purpose of financial control, Company is adequately staffed with experienced and qualified personnel at all levels and plays an important role in implementing and monitoring the statutory and internal policy control.

The internal audit department regularly conducts reviews to assess financial and operating controls at various locations of your Company. Any significant issue is brought to the notice of the Audit Committee.

**Auditors**

M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received certificates from them that their appointment will be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956. The necessary resolution is being placed before the shareholders for approval.

**Employees**

There were no employees drawing remuneration in excess of ceiling(s) prescribed under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

**Acknowledgement**

Your Directors also wish to appreciate the dedication and commitment displayed by employees at all levels and also express their sincere thanks and appreciation to Financial Institutions, Banks and Shareholders, the State and Central Government, customers, dealers and suppliers for their continued support and co-operation.

For and on behalf of the Board

**Place : Thane**  
**Date : July 29, 2009.**

**S. M. Agarwal**  
*Executive Director*

**S. L. Agarwal**  
*Managing Director*



**ANNEXURE – A TO THE DIRECTORS’ REPORT**

**(ADDITIONAL INFORMATION IN TERMS OF NOTIFICATION NO.1029 OF 16.12.1988 ISSUED BY THE DEPARTMENT OF COMPANY AFFAIRS)**

**[A] CONSERVATION OF ENERGY**

The disclosure of conservation of energy has not been provided as the Company is not covered under the list of specified industries under the Disclosure of Particulars in the Report of Board of Directors Rules, 1988. However, required conservation measures mentioned below are undertaken by the Company:

- Introduction of new energy saving lamps on the shop floor
- Continuously maintaining unity power factor
- Switching off power during idle time
- Baking Oven converted to Gas Fire

**[B] TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**

Efforts made towards technology absorption and R&D is given as per Form-B annexed herewith.

**[C] FOREIGN EXCHANGE EARNINGS & OUTGO**

Details of earnings and outgo of foreign exchange are given in Schedule 22, Notes to the Accounts. The Company continues to strive to improve its export earnings.

**FORM – B**  
(See Rule-2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

**(A) RESEARCH & DEVELOPMENT (R&D)**

**1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY:**

Improvement / Technology upgradation of the Company’s existing products and research and development of alternate raw material with a view to improve quality, minimize imports and to reduce costs.

**2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D :**

Wider range of electrodes, enhanced value equation and greater customer satisfaction.

**3. FUTURE PLAN OF ACTION:**

Continuous improvements in processes, skill building and addition of infrastructure.

**4. EXPENDITURE ON R&D**

	<i>(Rs. in million)</i>	
	<b>2008-2009</b>	<b>2007-2008</b>
a) Capital	—	—
b) Recurring	—	—
c) Total	—	—
d) Total R&D expenditure as a percentage of total turnover	—	—



**(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Efforts in brief made towards technology absorption, adaptation and innovation:**

The following measures are undertaken by the Company:

- Introduction of variable frequency drives in place of invariable gear box.
- Introduction of AC Induction Motors in place of DC Motors
- Introduction of gas fired heating system in replacement of static oven heaters
- Special consumables are developed with new variants for meeting specific customer requirement.

**2. Benefits derived as a result of the above efforts, e.g. product development, import substitution etc.:**

The benefits derived from the mentioned technology absorption measures:

- Significant reduction in power & fuel cost
- Improvement in quality of electrode

**3. Particulars of imported technology in the last five years:**

- |  |   |      |
|--|---|------|
| (a) Technology imported                                    | : | N.A. |
| (b) Year of Import   | : | N.A. |
| (c) Has technology been fully absorbed                     | : | N.A. |
| (d) If not fully absorbed, reason for & future action plan | : | N.A. |



**ANNEXURE – B TO THE DIRECTORS' REPORT**  
**REPORT ON CORPORATE GOVERNANCE**

**Introduction**

Your Company has complied in all material aspects with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance of the Listing Agreement by the Company is provided below.

**Company's Philosophy**

Corporate Governance is about commitment to values and integrity in directing the affairs of the Company. It is an integral part of strategic management. Its basic tenets are adherence to ethical business practices; responsibility and accountability; honesty and transparency in the functioning of the management and the Board; true, complete and timely disclosures; and compliance of law. The Company's philosophy is to uphold the core values of ethics and create maximum shareholder value without compromising the integrity of business practices.

The Board of Directors and the Management of GEE Limited commit themselves to:

- Strive towards enhancement of shareholder value through- sound business decisions
  - Prudent financial management and
  - High standards of ethics throughout the organization
- Ensure transparency and professionalism in all decisions and transactions of the Company

**1. Board of Directors**

During the year, 11 Board Meetings were held on 07.04.08,28.04.08,21.06.08,20.07.08,25.08.08, 27.10.08, 23.12.08, 10.01.09, 29.01.09, 23.02.09 and 24.03.09.

None of the Directors of the Board is member of more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and Committee Memberships are given below:

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. Of Other Directorships	No. Of Member of other Committee	Chairmanship of other Committees (s)	Note No
1	Mr. R K Agarwal*	Chairman & Non-executive Director	-	No	4	-	-	A
2	Mr. S.L.Agarwal	Managing Director	11	Yes	6	2	-	A
3	Mr. S.M. Agarwal	Executive Director	10	Yes	-	2	-	A
4	Mr. M.P. Dhanuka	Executive Director (Marketing)	10	Yes	-	-	-	C
5	Mr. Umesh Agarwal*	Whole Time Director	10	No	-	-	-	A
6	Mr. Avinash Saraf	Whole Time Director	1	No	1	-	-	A
7	Mr. Om Prakash Agarwal*	Non-executive Director	1	No	4	-	-	A
8	Mr. Ashok Kumar	Non-executive Director	3	Yes	-	3	-	B
9	Mr. Sujit Sen	Non-executive Director	2	No	1	3	2	B
10	Mr. Utsav Kapadia	Non-executive Director	2	No	11	-	-	B
11	Mr. K.M. Panthaki	Non-executive Director	2	Yes	1	3	1	B

A. Promoter Directors.

B. Non-executive and independent Directors.

C. Executive and independent Directors.

\* Resigned w.e.f. 29-07-09



**Equity Shares held by Directors**

Name of the Director	No. of Equity shares
Mr. R. K. Agarwal *	6,75,583
Mr. S. L. Agarwal	13,61,343
Mr. S. M. Agarwal	3,06,000
Mr. Umesh Agarwal *	6,22,800
Mr. Om Prakash Agarwal *	6,07,200
Mr. Utsav Kapadia	64,458

\* Resigned w.e.f. 29-07-09

**2. Secretarial Standards**

The Institute of Company Secretaries of India (ICSI) has laid down Standards on secretarial practices relating to meetings of the Board and Board Committees, General Meetings, dividends etc. The Secretarial and the operating practices of the Company are in line with the above Secretarial Standards. All the information required under Annexure-I to Clause 49 of the Listing Agreement with Stock Exchanges is being placed before the Board at every meeting, with the current status duly updated.

**3. Audit Committee**

**Composition & Meeting**

The Audit Committee's terms of reference conforms to section 292A of Companies Act, 1956 as well as Clause 49 of the Listing Agreement. During the Financial Year 2008-09, four meetings of Audit Committee were held as follows:

Sl. No.	Name of Director	Status	Meetings attended (Y/N)			
			28.04.08	27.07.08	27.10.08	29.01.09
1	Mr. Sujit Sen	Chairman & Non-executive Independent Director	Y	N	N	Y
2	Mr. Ashok Kumar	Non-executive Independent Director	Y	Y	N	Y
3	Mr. K. M. Panthaki	Non-executive Independent Director	N	Y	N	Y
4	Mr. S. L. Agarwal	Executive Non-Independent Director	Y	Y	Y	Y
5	Mr. S. M. Agarwal	Executive Non-Independent Director	Y	Y	Y	Y

The Statutory Auditor (if need arise), Internal Auditors are invitees to the Audit Committee Meetings.





#### 4. Remuneration Committee

Your Company has formed a Remuneration committee to lay down the norms for determination of remuneration to be paid executive as well as non-executive directors and executives at all levels of the Company. The Remuneration committee has been assigned to approve & settle the remuneration package with the optimum blending of monetary and non-monetary outlay.

Sl. No.	Name of the Director	Status	Designation in Committee
1	Mr. Sujit Sen	Non Executive Director	Chairman
2	Mr. Ashok Kumar	Non Executive Director	Member
3	Mr. K.M.Panthaki	Non Executive Director	Member

#### 5. Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The remuneration of executive Directors largely comprises basic remuneration and perquisites. There are no stock option benefits to any of the Directors. The non-executive Directors do not draw any remuneration from the Company.

#### Particulars of Directors' Remuneration during the financial year ended 31<sup>st</sup> March, 2009.

Name of Director	Salary & Perquisites#(Rs.)	Sitting Fees(Rs.)	Total
Mr. S.L. Agarwal Managing Director	1,282,702	NIL	1,287,702
Mr. S.M. Agarwal Executive Director	1,016,291	NIL	1,016,291
Mr. M.P. Dhanuka Executive Director (Marketing)	1,932,530	NIL	1,932,530
Mr. Umesh Agarwal * (whole Time Director)	597,633	NIL	597,633
Mr. Avinash Saraf (Wholetime Director)	97,034	NIL	102,034
Mr. R.K. Agarwal * Chairman	NIL	NIL	NIL
Mr. Om Prakash Agarwal * Director	NIL	5,000	5,000
Mr. Utsav Kapadia Director	NIL	10,000	10,000
Mr. Ashok Kumar Director	NIL	10,000	10,000
Mr. Sujit Sen Director	NIL	5,000	5,000
Mr. K.M.Panthaki Director	NIL	10,000	10,000

# Perquisites include Leave Travel Allowance, Medical Expenses & Company's Contribution to Provident and Superannuation Funds and other Allowances.

\* Resigned w.e.f. 29-07-09



**6. Share Transfer-cum-Shareholder/ Investor Grievance Committee**

Your Company has constituted a permanent Shareholders' Grievance Committee to look into the shareholders' grievances. The committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in quality of investor service.

**Composition of Share Transfer-Cum-Shareholder/Grievance Committee**

Name	Category of Directorship	Designation
Mr. K. M. Panthaki	Non-Executive & Independent Director	Chairman
Mr. S. L. Agarwal	Executive Director	Member
Mr. S. M. Agarwal	Executive Director	Member
Mr. Ashok Kumar	Non-Executive & Independent Director	Member
Mr. Sujit Sen	Non-Executive & Independent Director	Member

**Complaint Status**

During the year the Company has not received any complaints from the shareholders. As on date, there is no pending complaint of any shareholder.

**7. General Body Meetings**

The details of Annual General meeting held during the previous three years are as under:

Year	Date	Time	Venue	Special Resolution Passed
2007-08	30 <sup>th</sup> September, 2008	3.00 p.m	Hotel Satkar Residency, Pokhran Road No.1, Thane (West) 400 606	3
2006-07	17 <sup>th</sup> September, 2007	11:30 a.m..	Tip-Top Plaza, Wagle Estate, Thane (W) – 400 604	2
2005-06	18 <sup>th</sup> September, 2006	11:30 a.m.	Tip-Top Plaza, Wagle Estate, Thane (W) – 400 604	2

**DETAILS OF LAST THREE EXTRA ORDINARY GENERAL MEETINGS**

Year	Date	Time	Venue
2007-08	NIL	NIL	NIL
2006-07	July 20, 2007	11:30 a.m..	Tip-Top Plaza, Wagle Estate, Thane (W) - 400604
2005-06	January 9, 2006	3:00 p.m.	Plot No. E-1, Wagle Estate, Thane (W) - 400604

All the resolutions placed before the shareholders at the above meetings were approved.

**8. Disclosures**

Details of related party transactions during the year have been set out under Note No. 14 of Schedule '22' of the Annual Accounts. However, these are not having any potential conflict with the interests of the company at large.

There were no instances of non-compliance or penalty, strictures imposed on the company by Stock Exchanges/ SEBI or any other statutory authorities on any matter related to capital markets, during the last three years.

Presently the Company does not have a Whistle Blower Policy but has a policy similar to it, which is called Open Talk. No personnel of the Company have been denied access to the Audit Committee.

GEE Limited has implemented a Code of Conduct based on its business principles along with implementation framework for its Directors and senior management of the Company. In compliance with the code, Directors and senior management of the Company have affirmed compliance with the Code for the year ended on 31st March 2009. A declaration to this effect signed by the Managing Director form part of this Annual Report.



**9. Means of Communication**

The financial results of the Company are published in widely circulating dailies such as Free Press Journal & Navashakti. Information released to the press at the time of declaration of results is also sent to The Bombay Stock Exchange where the shares of the Company are listed for trading.

All the above results and documents are also displayed on the Company's official website [www.geelimited.com](http://www.geelimited.com)

**10. Management & Discussion Analysis Report**

The comprehensive management & Discussion Analysis Report has been enclosed with this report.

**11. Compliance**

**Mandatory requirements**

The Company has fully complied with the applicable mandatory requirements of the Clause 49.

**Adoption of non-mandatory requirements**

**1. Maintenance of the Chairman's office**

The Company maintains the office of the non-executive Chairman.

**2. Tenure of Independent Directors**

No specific tenure has been specified for the Independent Directors.

**3. Remuneration Committee**

The Company has Remuneration Committee that comprises of three members. The Chairman of the Committee is an independent Director.

**4. Audit Qualifications**

The Auditors have raised no qualification for the Financial Statements of the Company.

**5. Whistle Blower Policy**

The Company does not presently have a whistle blower policy in place, but a similar policy called Open Talk. However, no personnel are denied access to the Audit Committee.

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto as Annexure C to the Directors' Report.

**12. CEO/CFO Certification**

The Managing Director (de-facto Chief Executive Officer) has given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement, attached hereto in Annexure - E to the Directors' Report.



### 13. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (Date, Time & Venue)	Wednesday 30th September, 2009 11.00 a.m Hotel Satkar Residence, Pokhran Road No. 1, Thane (W), 400 606, India
Financial Year	1 <sup>st</sup> April, 2008 - 31 <sup>st</sup> March, 2009
Dividend for Financial Year 2008-09	The Board of Directors has, subject to the approval of Shareholders at Annual General meeting, recommended dividend @ 15% for the financial year 2008-09
Listing on Stock Exchange	Shares of the Company is listed on The Bombay Stock Exchange , Mumbai. Annual Listing fees have been duly paid to The Bombay Stock Exchange.
Stock Code	504028
Financial Calendar 2009 - 10 (Tentative & subject to change)	1. First Quarter result – 30 <sup>th</sup> June, 2009. 2. Second Quarter result – 30 <sup>th</sup> September, 2009. 3. Third Quarter result – 31 <sup>st</sup> December, 2009. 4. Fourth Quarter result – 31 <sup>st</sup> March, 2010. 5. Audited yearly result for the year ended March, 2010 - End of July 2010.
Registrar & Transfer Agents (both for Electronic & Physical Segment)	<b>Sharepro Services (India) Pvt. Ltd.</b> , 13 AB Samhita Warehousing Complex, 2nd Floor, Off. Andheri Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri East, Mumbai 400 072
Share Transfer Systems	The share transfer that are received in physical form are processed and the share certificates returned within 30 days of lodgment, subject to the documents being valid and complete in all respects.
Dematerialization of Shares & details thereon	The Company's shares are available for dematerialization on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL). The ISIN No. Allotted to equity shares of the Company is INE 064H01021, 97.51% of the total equity shares capitals is held in dematerialized form with NSDL and CDSL.
Regd. Office	Plot No. E-1, Road No.7, Wagle Industrial Estate, Thane(West)-400604
Address for Correspondence	Plot No. 12B, MIDC, Kalyan Bhiwandi Road, Saravali, Kalyan(West)-421 311
Compliance officer	SANWARMAL AGARWAL(EXECUTIVE DIRECTOR) Tel: 02522 281176/88, Fax: 02522 281199, E-Mail: <a href="mailto:shares@geelimited.com">shares@geelimited.com</a>



### 14. Share Price Performance

The monthly high and low quotations of equity shares of the Company traded on Bombay Stock Exchange (BSE) is tabled below:

Month	BSE		BSE SENSEX	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April,2008	70.85	52.50	17480.74	15297.96
May,2008	70.40	63.30	17735.70	16196.02
June,2008	66.20	51.40	16632.72	13405.54
July,2008	64.95	39.25	15130.09	12514.02
August,2008	61.05	52.00	15579.78	14002.43
September,2008	65.45	43.05	15107.01	12153.55
October,2008	51.50	30.50	13203.86	7697.39
November,2008	42.75	30.05	10945.41	8316.39
December,2008	43.20	30.25	10188.54	8467.43
January,2009	49.90	28.60	10469.72	8631.60
February,2009	35.75	28.00	9724.87	8619.22
March,2009	34.85	28.35	10127.09	8047.17

\* Source: Website of BSE

### 15. Distribution of Shareholding as on 31st March, 2009 :

No. of Shares	No. of Shareholders	%	No. of Shares	%
Less than 2500	1522	89.162	6,74,474	3.569
2501-5000	71	4.159	2,46,851	1.306
5001-10000	46	2.695	3,26,468	1.727
10001-15000	23	1.347	2,92,630	1.548
15001-20000	5	0.293	82,330	0.436
20001-25000	2	0.117	47,206	0.250
25001-50000	10	0.586	3,99,069	2.111
50001 and above	28	1.640	1,68,31,675	89.053
<b>Total</b>	<b>1707</b>	<b>100</b>	<b>1,89,00,703</b>	<b>100</b>

### 16. Shareholding Pattern of the Company as on 31st March, 2009 :

Category	No of Shares held	%
Promoters, Directors & their relatives and Associates Companies	1,13,54,705	60.08
Financial Institutions/Insurance Companies	8,04,960	4.26
Other Bodies Corporate	42,42,942	22.45
Individual	24,92,358	13.19
NRIs	5,685	0.03
Trust	53	0.00
<b>Total</b>	<b>1,89,00,703</b>	<b>100.00</b>

For and on behalf of the Board

Place : Thane  
Date : July 29, 2009

S. L. Agarwal  
Managing Director



**ANNEXURE – C TO THE DIRECTORS' REPORT**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
**GEE Limited**

We have examined the compliance with the conditions of Corporate Governance by GEE Limited (the 'Company') for the year ended March 31, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and representations made by the Directors and the Management, 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 Ford, Rhodes, Parks & Co.**  
*Chartered Accountants*

**A. D. Shenoy**  
*Partner*

Membership No. FCA 11549

**Place : Thane**  
**Date : July 29, 2009.**



## **ANNEXURE – D TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Business Performance and Overview**

The global economic situation witnessed significant adverse changes during the year. By the middle of the financial year 2008-09, the major advanced economies were already in or nearing recession. Emerging markets, such as India, which are closely correlated to the global economy, too, felt the impact.

The second half of the previous year was particularly difficult with volatile changes in input costs and rupee-dollar fluctuations. The adverse situation was further aggravated by tight liquidity concerns which affected the capital flow to the industry and its ancillaries. However, in the backdrop of such negative market conditions, your Company still maintained and made a commendable improvement in its revenue margins.

During the year, the Company acquired three more companies in the same industry leading to both vertical and horizontal integration.

The turnover of the Company posted a remarkable growth of 68% at Rs. 1350 millions as compared to Rs. 805 million in the previous year.

Operating profit (EBITDA) during the year under review was posted at Rs.95.57 millions.

Interest cost was higher at Rs. 24.53 million as compared to Rs. 13.5 million in the previous year due to the tight liquidity conditions prevailing in the market.

Depreciation provision was considerably higher by 54% at Rs. 6.20 million. This was on account of substantial investment in fixed assets during the year under review. It is also due to the increased asset base as a result of amalgamation. The Company is on a further expansion mode setting up new lines of electrode plants at its existing plants.

#### **OUTLOOK, OPPORTUNITIES AND THREATS**

The numerous interdependent operational parameters deciding the course of the global and consequently domestic economy in the future makes it difficult to estimate the outlook for the current year. The margins in the electrode industry continue to remain under pressure due to rise in input costs and lower price realisation. However, the welding industry, impacted by the global economy slowdown, is expected to show signs of recovery gradually as the economy has started reviving. The Indian economy is expected to recover the fastest with GDP growth rates reaching reasonable levels by the end of the current financial year. The economy is already showing signs of upbeat activity and the augmentation of infrastructural activities forecasts positive signals for the industry.

Your Company has made significant progress in identifying and implementing key initiatives during the year to improve sales and operational efficiencies, improve collections and develop new products that would be of relevance to its target customers in the current business context. The Company has initiated measures like reduction and optimisation of cost and increase in sale volume through expansion of its production capacity.

The merger with the three companies in the same industry has not only added to the production capacity but also provided new avenues and channels of distribution. This horizontal integration has created a real platform for growth and will enable the Company to counter the slowdown impact more effectively. Further, the Company is also gearing up for the market recovering from a recessionary period. The Company is on a major expansion mode, upgrading its plants, both at Kolkata and Kalyan. The State Bank of India has already appraised the project and sanctioned term loan.

The competition from international players continues to be on the rise with foreign companies setting up shops in India challenging the market share of the existing suppliers. However, your Company takes this as healthy competition propelling it towards higher quality product developments and servicing its customers better.

In spite of the above stated concerns, the outlook for the Company is positive. Overall, the Company is cautiously optimistic for the coming year.



**Human Resources**

Human resources management plays a vital role in the development and growth of the Company's core assets, its employees. By adopting a partnering approach, the HR function strives to create and provide innovative solutions to ensure that the needs of both the Company and its employees are fulfilled.

Due to the various steps initiated in providing amenities to the employees, the Company continued to enjoy harmonious employee relations despite the tough times being faced by the economy.

**Cautionary Statement**

Details given hereinabove relating to various activities and future plans may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual performance may differ from those expressed or implied.

**ANNEXURE – E TO THE DIRECTORS' REPORT**

The Board of Directors  
**GEE Limited**

*Dear Sir,*

It is hereby certified that the members of the Board of Director of the Company and the senior Management Personnel have affirmed the compliance with the Code of Conduct adopted by the Company in terms of clause 49(1)(D)(ii) of the Listing Agreement.

**Place : Thane**  
**Date : July 29, 2009.**

**S. L. Agarwal**  
*Managing Director*





**AUDITOR'S REPORT TO THE MEMBERS OF GEE LIMITED**

1. We have audited the attached Balance Sheet of GEE Limited, as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in paragraph 3 above, 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 the books;
  - iii) The Balance Sheet, Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss account and the 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;
  - v) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors we report that none of the Directors of the company is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with the significant accounting policies and notes to the accounts, give the information required by the Companies Act, 1956, in the manner so required and 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 31<sup>st</sup> March, 2009;
    - b) in the case of the Profit and Loss account, of the profit for the year ended on that date and
    - c) in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For Ford, Rhodes, Parks & Co.,  
*Chartered Accountants*

**A. D. Shenoy**  
*Partner*

Membership No. 11549

**Place : Mumbai**  
**Date : June 30, 2009**



**ANNEXURE TO THE AUDITOR'S REPORT**

*(Referred to in paragraph 3 of our report of even date)*

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of all the fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification and the same has been properly dealt with in the books of account.  
(c) During the year, the Company has not disposed off any substantial part of the fixed assets so as to affect the going concern.
2. (a) As explained to us, inventories have been physically verified by the management at reasonable intervals and also at the close of the year.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation with the size of the Company and the nature of its business.  
(c) The Company has maintained proper records of inventory and the discrepancies between the physical inventory and the book records noticed on physical verification as mentioned in paragraph 2 (a) above were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore clause (a), (b), (c) and (d) are not applicable.  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (f) and (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, 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, we have neither come across nor have we been informed of any major weaknesses in the aforesaid internal control procedure.
5. (a) On the basis of our examination of the books of account and according to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered in the said register.  
(b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the Public within the meaning of the provisions of Sections 58A and 58AA of the Act.
7. The Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company and hence the question of maintenance of such accounts and records does not arise.
9. (a) According to the information and explanations given to us by Management and on the basis of the examination of the books of account carried out by us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year. There are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2009 outstanding for a period of more than six months from the date they became payable.



- (b) According to information and explanations given to us by Management and the records of the Company, examined by us, there were no undisputed dues in respect of Sales Tax, Income-Tax, Custom Duty, Wealth-Tax, Excise Duty and Cess not deposited as at 31<sup>st</sup> March 2009 on account of any dispute
10. The Company has no accumulated losses as at 31<sup>st</sup> March, 2009. It has not incurred any losses during the financial year covered by the audit and in the immediately preceding financial year.
  11. Based on our audit procedure and the information and explanations given to us by the Management, we are of the opinion that the Company has not defaulted in repayment of its dues to banks during the year.
  12. As per the books and records, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. Clause (XIII) of the Order is not applicable as the Company is not a chit fund Company or nidhi/mutual benefit fund/society.
  14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
  15. According to the information given to us and Managements' representation the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
  16. On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the Company have been utilized for the purpose for which they were obtained.
  17. On the basis of our review of utilization of funds on overall basis and related information and explanations as made available to us and as represented to us by the Management, funds raised on short-term basis have not been used for long-term investments and vice-versa during the year.
  18. 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 during the year.
  19. The Company has not issued any debentures and hence para XIX of the Order is not applicable.
  20. The Company has not raised any money by way of public issue during the year.
  21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Ford, Rhodes, Parks & Co.,  
Chartered Accountants

**A. D. Shenoy**  
Partner  
Membership No. 11549

**Place : Mumbai**  
**Date : June 30, 2009**



**BALANCE SHEET AS AT 31st MARCH, 2009**

	SCHEDULE	In Rupees	
		As at 31st March 2009	As at 31st March 2008
<b>I SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share Capital	1	37,801,406	28,697,600
Share Warrants	1A	-	17,500,000
Reserves and Surplus	2	<u>227,314,137</u>	<u>142,087,051</u>
		265,115,543	188,284,651
<b>Loan Funds</b>			
Secured Loans	3	156,293,409	88,684,983
Unsecured Loans	4	<u>14,102,073</u>	-
		170,395,482	88,684,983
<b>Deferred Tax Liability (net)</b>	5	12,630,819	6,804,261
<b>TOTAL</b>		<b>448,141,844</b>	<b>283,773,895</b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	6	232,903,931	163,619,939
Less : Depreciation		58,544,843	32,964,052
Add: Capital Work-in-Progress		<u>260,514</u>	-
Net Block		174,619,602	130,655,887
<b>Investments</b>	7	133,602	133,602
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	8	117,562,423	88,672,990
Sundry Debtors	9	146,250,739	58,933,397
Cash and Bank Balances	10	24,837,315	23,484,734
Loans and Advances	11	<u>65,423,584</u>	<u>50,145,940</u>
		354,074,061	221,237,061
<b>Less : Current Liabilities &amp; Provisions</b>			
Liabilities	12	52,402,092	47,840,949
Provisions	13	<u>28,283,329</u>	<u>20,411,706</u>
		80,685,421	68,252,655
Net Current Assets		273,388,640	152,984,406
<b>TOTAL</b>		<b>448,141,844</b>	<b>283,773,895</b>

**Significant Accounting Policies & Notes forming part of the Financial Statements** 22

For and on behalf of the Board

As Per our attached Report of even date  
For **FORD, RHODES, PARKS & CO.**  
Chartered Accountant

**A. D. SHENOY**  
Partner  
Membership No. FCA 11549

**S. L. AGARWAL**  
Managing Director

Place : Thane  
Date : June 30, 2009

**S. M. AGARWAL**  
Executive Director



### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

SCHEDULE	In Rupees		In Rupees	
		Year Ended March 2009	Year Ended March 2008	
<b>INCOME</b>				
Sales (gross)	14	1,350,251,593	805,631,548	
Less: Excise Duty		<u>132,643,524</u>	<u>69,576,767</u>	736,054,781
Other Income	15	4,611,540		1,371,363
Increase /(Decrease) in Stock	16	(2,220,346)		12,146,410
		<b>1,219,999,263</b>		<b>749,572,554</b>
<b>EXPENDITURE</b>				
Material Consumed	17	972,009,758		565,438,867
Manufacturing Expenses	18	38,254,471		28,264,256
Payment to & Provision for Employees	19	35,212,573		16,538,845
Administrative & Selling Expenses	20	78,954,477		70,804,637
		<b>1,124,431,280</b>		<b>681,046,605</b>
<b>Profit before Interest, Depreciation &amp; Taxation</b>		<b>95,567,983</b>		<b>68,525,949</b>
Finance charges	21	24,529,558		13,350,095
<b>Profit before Depreciation &amp; Taxation</b>		<b>71,038,424</b>		<b>55,175,854</b>
Depreciation		6,205,429		4,029,689
<b>Profit Before Taxation</b>		<b>64,832,995</b>		<b>51,146,165</b>
Provision for Taxation				
Current Tax		18,500,000		14,000,000
Previous Years Tax		150,136		146,142
Fringe Benefit Tax		1,491,000		1,200,000
Deferred Tax		5,826,558		2,080,000
<b>Profit after Tax</b>		<b>38,865,301</b>		<b>33,720,023</b>
<b>Balance brought forward</b>		<b>37,170,774</b>		<b>11,162,457</b>
<b>Profit available for appropriation</b>		<b>76,036,075</b>		<b>44,882,480</b>
<b>Appropriation</b>				
Transfer to General Reserve		6,500,000		2,500,000
Proposed Dividend		7,087,764		4,454,640
Tax on Proposed dividend		1,204,565		757,066
Balance carried to Balance sheet		61,243,746		37,170,774
		<b>76,036,075</b>		<b>44,882,480</b>

#### Earning Per Share (Face value of Rs. 2 each) (in Rs.)

Basic	22	2.06	1.89*
Diluted	22	1.65	1.50*

\*Restated (on Bonus)

#### Significant Accounting Policies & Notes forming part of the Financial Statements

22

As Per our attached Report of even date  
For **FORD, RHODES, PARKS & CO.**  
Chartered Accountants

For and on behalf of the Board

**A. D. SHENOY**  
Partner  
Membership No. FCA 11549

**S. L. AGARWAL**  
Managing Director

Place : Thane  
Date : June 30, 2009

**S. M. AGARWAL**  
Executive Director



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	In Rupees 2008-09	In Rupees 2007-08
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax	64,832,995	51,146,165
Adjustments for :		
Depreciation	6,205,429	4,029,689
Interest paid	24,529,558	13,350,095
Profit on sale of assets	(1,746,050)	-
Interest Received	(703,898)	(267,199)
Dividend Received	(19,998)	(19,669)
<b>Operating profit before working capital changes</b>	<b>93,098,036</b>	<b>68,239,081</b>
Adjustments for :		
Inventories	(2,599,629)	(24,468,232)
Sundry debtors	(44,316,097)	(4,549,896)
Loans and advances	6,050,408	(25,952,678)
Current Liabilities and Sundry Creditors	(30,741,620)	15,148,114
Income Tax Paid	(14,720,461)	(5,571,142)
<b>Net Cash flow from Operating activities (A)</b>	<b>6,770,637</b>	<b>(22,845,246)</b>
<b>B. Cash flow from investing activities</b>		
Sale of fixed assets	4,340,573	-
Purchase of fixed assets	(46,036,438)	(21,108,391)
Interest Received	703,898	267,199
Dividends Received	19,998	19,669
<b>Net Cash flow from Investing activities (B)</b>	<b>(40,971,969)</b>	<b>(20,821,523)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from investments realised	-	100,000
Proceeds from issue of equity Shares & conversion of warrants	-	99,000,000
Proceeds from cash credit facility	71,826,002	(21,003,367)
Term loan	(16,115,901)	(17,464,284)
Interest Paid	(24,529,558)	(13,350,095)
Unsecured Loan	7,480,330	(23,956,066)
Dividend and Tax thereon paid	(5,211,706)	(4,509,929)
<b>Net cash flow from Financing Activities (C)</b>	<b>33,449,167</b>	<b>18,816,263</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C).</b>	<b>(752,165)</b>	<b>20,839,986</b>
Cash and cash Equivalents at the beginning of year	23,484,732	2,644,748
Cash and cash Equivalents taken over as per the Scheme of Amalgamation	2,104,748	
Cash and cash Equivalents at the end of year	24,837,315	23,484,734
	<b>(752,165)</b>	<b>20,839,986</b>

Notes:

- Above statement has been prepared under indirect method except in case of interest, dividend and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities, as set out in Accounting Standard 3.
- Additions to fixed assets are stated inclusive of movements of capital work in progress in between beginning and end of the year and treated as part of Investing activities.
- Figures in brackets indicate outflows.
- In view of the matter stated in Notes to Accounts, the figures of the current year are not directly comparable with those of the previous year.
- Previous year figures are regrouped and reclassified, wherever necessary to conform to current years classification.

As Per our attached Report of even date

For and on behalf of the Board

**For Ford, Rhodes, Parks & Co.**

Chartered Accountants

**A. D. SHENOY**  
Partner  
Membership No. FCA 11549

**S. L. AGARWAL**  
Managing Director

Place : Thane  
Date : June 30, 2009

**S. M. AGARWAL**  
Executive Director



**SCHEDULE NOS. 1 TO 21 ANNEXED TO AND FORMING  
PART OF THE FINANCIAL STATEMENTS**

	<u>In Rupees</u> <u>As at 31st</u> <u>March 2009</u>	<u>In Rupees</u> <u>As at 31st</u> <u>March 2008</u>
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<i>AUTHORISED :</i>		
2,50,00,000 Equity Shares of Rs. 2 each (P.Y. 2,50,00,000 Equity Shares of Rs. 2 each)	<u>50,000,000</u>	<u>50,000,000</u>
<i>ISSUED :</i>		
1,89,19,603 Equity Shares of Rs. 2 each (P.Y. 1,43,67,700 Equity Shares of Rs. 2 each)	37,839,206	28,735,400
	<u>37,839,206</u>	<u>28,735,400</u>
<i>SUBSCRIBED and PAID UP :</i>		
1,89,00,703 Equity Shares of Rs. 2 each fully paid (P.Y. 1,43,48,800 Equity Shares of Rs. 2 each fully paid up)	37,801,406	28,697,600
	<u>37,801,406</u>	<u>28,697,600</u>
<b>Of the above :</b>		
1) 5,95,350 Equity Shares have been allotted as fully paid up pursuant to a contract without payment being received in cash.		
2) 40,38,777 Equity Shares (P. Y. 8,88,660) have been issued as fully paid up bonus shares by capitalisation of Reserves.		
3) 9,01,786 Equity Shares have been issued to amalgamating companies pursuant to Order of the Honorable High Court, Mumbai, without payment being received in cash.		
<b>Schedule 1A :</b>		
<b>SHARE WARRANTS</b>		
(P. Y 5,00,000 Equity Share warrants of Rs. 2 each at Premium of Rs. 33 each)		17,500,000
		<u>17,500,000</u>



	<u>In Rupees</u> <u>As at 31st</u> <u>March 2009</u>	<u>In Rupees</u> <u>As at 31st</u> <u>March 2008</u>
<b>Schedule 2 :</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	-	-
Add: On Amalgamation	21,196,428	-
	<u>21,196,428</u>	<u>-</u>
<b>Capital Subsidy Reserve</b>		
Opening Balance	-	-
Add: On Amalgamation	2,186,546	-
	<u>2,186,546</u>	<u>-</u>
<b>Share Premium</b>		
Opening Balance	85,979,040	9,479,040
Add: Additions during the year	16,500,000	76,500,000
	<u>102,479,040</u>	<u>85,979,040</u>
<b>Revaluation Reserve</b>		
Opening Balance	4,646,567	4,646,567
Add: Additions during the year	-	-
	<u>4,646,567</u>	<u>4,646,567</u>
<b>General Reserve</b>		
Balance as per Last Account	29,061,810	11,790,670
Add : Transfer from Profit & Loss A/c	6,500,000	2,500,000
	<u>35,561,810</u>	<u>14,290,670</u>
Profit and Loss Account balance	61,243,746	37,170,774
	<u>227,314,137</u>	<u>142,087,051</u>
<b>Schedule 3:</b>		
<b>SECURED LOANS</b>		
Term Loan	17,680,087	36,116,876
Cash Credit	133,736,423	50,491,279
Vehicle Loan	4,876,899	2,076,828
	<u>156,293,409</u>	<u>88,684,983</u>
<b>Schedule 4 :</b>		
<b>UNSECURED LOANS</b>		
Inter Corporate Deposits	12,669,656	-
DCSSI-Sales Tax Loan	1,432,417	-
	<u>14,102,073</u>	<u>-</u>
<b>Schedule 5 :</b>		
<b>DEFERRED TAX LIABILITY</b>		
As per Last Account	6,804,261	4,724,261
Add : Transfer from Profit & Loss Account	5,826,558	2,080,000
	<u>12,630,819</u>	<u>6,804,261</u>



**Schedule 6 :  
FIXED ASSETS**

(In Rupees)

Description	Gross Block					Depreciation Block					Net Block	
	As at 1-4-2008	Additions on Amalgamation	Additions - Adjustments	Deductions - Adjustments	As at 31-3-2009	Upto 1-4-08	Additions on Amalgamation	For the year	Deductions	Upto 31-3-09	At at 31-3-2009	At at 31-3-2008
Freehold Land	7,377,279	-	-	-	7,377,279	-	-	-	-	-	7,377,279	7,377,279
Lease hold Land	12,370,450	589,416	804,480	-	13,764,346	377,211	-	-	-	377,211	13,387,135	11,993,239
Land at Haryana	-	-	3,472,912	-	3,472,912	-	-	-	-	-	3,472,912	-
Building												
Factory	62,238,229	2,444,261	4,130,649	1,068,716	67,744,423	4,443,787	1,907,343	1,915,464	751,667	7,514,927	60,229,496	57,794,442
Office	1,444,519	-	-	-	1,444,519	369,420	-	23,546	-	392,966	1,051,553	1,075,099
Flat at Siddhanchal	3,678,807	-	-	-	3,678,807	57,012	-	59,965	-	116,977	3,561,830	3,621,795
Plant and Machinery	50,946,221	19,069,381	27,768,005	98,800	97,684,807	20,898,848	15,060,261	2,058,609	-	38,017,718	59,667,088	30,047,373
Electrical Equipment	8,568,171	2,136,699	218,544	-	10,923,414	968,555	1,719,071	412,391	-	3,100,016	7,823,397	7,599,616
Furniture	3,294,293	444,434	2,975,170	601,044	6,112,853	1,352,592	398,660	206,920	191,136	1,767,035	4,345,817	1,941,701
Office Equipment	1,997,856	496,239	319,606	57,172	2,756,529	433,244	377,656	125,816	42,379	894,337	1,862,192	1,564,612
Computers	3,245,582	1,186,624	382,974	-	4,815,180	1,872,821	1,041,298	485,531	-	3,399,650	1,415,530	1,372,761
Motor Cars	8,458,533	2,093,506	5,703,584	3,126,760	13,128,863	2,190,563	1,229,042	917,189	1,372,787	2,964,007	10,164,857	6,267,971
<b>Total</b>	<b>163,619,939</b>	<b>28,460,560</b>	<b>45,775,924</b>	<b>4,952,492</b>	<b>232,903,931</b>	<b>32,964,052</b>	<b>21,733,331</b>	<b>6,205,429</b>	<b>2,357,969</b>	<b>58,544,843</b>	<b>174,359,088</b>	<b>130,655,887</b>
<b>Capital Work-in-Progress</b>	<b>-</b>	<b>-</b>	<b>260,514</b>	<b>-</b>	<b>260,514</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260,514</b>	<b>-</b>
<b>Total</b>	<b>163,619,939</b>	<b>28,460,560</b>	<b>46,036,438</b>	<b>4,952,492</b>	<b>233,164,445</b>	<b>32,964,052</b>	<b>21,733,331</b>	<b>6,205,429</b>	<b>2,357,969</b>	<b>58,544,843</b>	<b>174,619,602</b>	<b>130,655,887</b>
<b>AS ON 31-03-2008</b>	<b>142,511,548</b>	<b>-</b>	<b>65,457,366</b>	<b>44,348,975</b>	<b>163,619,939</b>	<b>28,934,363</b>	<b>-</b>	<b>4,029,689</b>	<b>-</b>	<b>32,964,052</b>	<b>130,655,887</b>	<b>113,577,185</b>





		<u>In Rupees</u> <u>As at 31st</u> <u>March 2009</u>	<u>In Rupees</u> <u>As at 31st</u> <u>March 2008</u>
<b>Schedule 7 :</b>			
<b>INVESTMENTS</b>			
<b>Non Trade Quoted</b> (Face Value Rs. 10 each)			
	<b>No. of</b> <b>shares</b>		
GE Shipping Co. Ltd.	201	6,125	6,125
Great Offshore Ltd.	50	1,524	1,524
Mahindra Lifespace Developers Ltd.	28	853	853
		<u>8,502</u>	<u>8,502</u>
<i>Market Value Rs. 54,000 (P.Y. Rs. 118,912)</i>			
<b>UNQUOTED</b>			
The Thane Janata Sahakari Bank Ltd. (Face Value of Rs. 50 each)	2002	100,100	100,100
Saraswat Co-op Bank Ltd. (Face Value of Rs. 10 each)	1000	10,000	10,000
		<u>110,100</u>	<u>1,10,100</u>
National Savings Certificate		15,000	15,000
		<u>133,602</u>	<u>133,602</u>
<b>Schedule 8 :</b>			
<b>INVENTORIES</b>			
(At cost or market value, whichever is lower)			
Stores, Tools, Dies		2,133,184	1,314,217
Raw Material		68,976,097	48,107,616
Packing Material		5,136,742	5,844,951
Finished Goods		31,848,439	28,953,786
Work in Process		9,467,961	4,452,420
		<u>117,562,423</u>	<u>88,672,990</u>
<b>Schedule 9 :</b>			
<b>SUNDRY DEBTORS</b>			
(Unsecured, considered good )			
a) Debts outstanding for a period exceeding six months		7,230,890	3,318,711
b) Others		139,019,849	55,614,686
		<u>146,250,739</u>	<u>58,933,397</u>
<b>Schedule 10 :</b>			
<b>CASH &amp; BANK BALANCES</b>			
Cash in Hand		583,719	514,304
Balances with Scheduled Banks			
- Current Accounts		17,309,403	19,917,428
- Deposit Accounts		6,944,193	3,053,002
		<u>24,837,315</u>	<u>23,484,734</u>
<b>Schedule 11 :</b>			
<b>LOANS AND ADVANCES</b>			
(Unsecured, considered good, recoverable in cash or in kind or for value to be received)			
Employee Advances		2,162,170	1,226,225
Tax Advances		14,570,325	13,393,426
Other Advances		15,634	-
Balance with Excise Authorities		25,915,473	7,751,463
Advance to Suppliers		18,377,873	24,037,143
Application money for Land		-	1,509,375
Earnest Money Deposit		1,588,898	463,950
Other Deposits		2,793,211	1,764,358
		<u>65,423,584</u>	<u>50,145,940</u>



	<u>In Rupees</u> <u>As at 31st</u> <u>March 2009</u>	<u>In Rupees</u> <u>As at 31st</u> <u>March 2008</u>
<b>Schedule 12 :</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	45,667,500	40,422,744
Other Liabilities	4,182,864	3,255,425
Deposits from Dealers	105,000	65,000
Liabilities for Duties and Taxes	2,445,888	4,096,940
Unclaimed Dividend	840	840
	<u>52,402,092</u>	<u>47,840,949</u>
<b>Schedule 13 :</b>		
<b>PROVISIONS</b>		
Taxation	18,500,000	14,000,000
Fringe Benefit Tax	1,491,000	1,200,000
Proposed Dividend	7,087,764	4,454,640
Corporate Tax on Dividend	1,204,565	757,066
	<u>28,283,329</u>	<u>20,411,706</u>
<b>Schedule 14 :</b>		
<b>SALES</b>		
Domestic Sales (Including Excise)	1,158,623,580	727,664,023
Export Sales	191,628,013	77,967,525
	<u>1,350,251,593</u>	<u>805,631,548</u>
Less: Excise Duty on Sales	132,643,524	69,576,767
Net Sales	<u>1,217,608,069</u>	<u>736,054,781</u>
<b>Schedule 15 :</b>		
<b>OTHER INCOME</b>		
Insurance Claim	-	98,098
Agency Commission	-	397,697
Profit on Sale of Assets	1,746,050	-
Interest	703,898	267,199
Dividend	19,998	19,669
Rent	37,500	-
Miscellaneous	103,989	-
Bad Debts Recovered	84,229	588,700
Exchange Gain	1,915,876	-
	<u>4,611,540</u>	<u>1,371,363</u>
<b>Schedule 16 :</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
Closing Stock		
Finished Goods	31,848,439	28,953,785
Work in Process	9,467,961	4,452,422
	<u>41,316,400</u>	<u>33,406,207</u>
Less : Opening Stock		
Finished Goods	38,540,365	13,923,274
Work in Process	4,599,942	4,050,273
	<u>43,140,307</u>	<u>17,973,547</u>
Excise duty on Closing Stock	396,439	3,286,250
	<u>(2,220,346)</u>	<u>12,146,410</u>



		<u>In Rupees</u> <u>As at 31st</u> <u>March 2009</u>	<u>In Rupees</u> <u>As at 31st</u> <u>March 2008</u>
<b>Schedule 17 :</b>			
<b>MATERIAL CONSUMED</b>			
<b>Raw Material</b>			
Opening Stock		63,520,498	44,035,135
Add : Purchases (Net of group company)		<u>918,325,676</u>	<u>541,257,623</u>
		981,846,174	585,292,758
Less : Closing Stock		<u>68,976,097</u>	<u>48,107,616</u>
	A	<u>912,870,077</u>	<u>537,185,142</u>
<b>Packing Material</b>			
Opening Stock		6,692,099	1,966,654
Add: Purchases		<u>44,086,151</u>	<u>23,372,085</u>
		50,778,250	25,338,739
Less: Closing Stock		<u>5,136,742</u>	<u>5,844,951</u>
	B	<u>45,641,508</u>	<u>19,493,788</u>
<b>Stores, Spare Parts, Tools &amp; Dies</b>			
Opening Stock		1,609,888	229,423
Add : Purchase		<u>14,021,470</u>	<u>9,844,731</u>
		15,631,358	10,074,154
Less : Closing Stock		<u>2,133,184</u>	<u>1,314,217</u>
	C	<u>13,498,174</u>	<u>8,759,937</u>
Total Material Consumed	A+B+C	<u>972,009,758</u>	<u>565,438,867</u>
 <b>Schedule 18 :</b>			
<b>MANUFACTURING EXPENSES</b>			
Approval and Testing Expenses		5,655,783	2,363,427
Power & Fuel		15,897,166	10,686,459
Factory Expenses		16,147,574	14,812,627
Insurance		553,949	401,743
		<u>38,254,471</u>	<u>28,264,256</u>
 <b>Schedule 19 :</b>			
<b>PAYMENT TO &amp; PROVISION FOR EMPLOYEES</b>			
Salaries, Wages, Allowances & Bonus		29,551,175	13,897,515
Contribution to Provident & other Funds		1,888,134	1,101,200
Contribution to Group Gratuity Fund		291,670	473,868
Workmen and Staff Welfare		3,481,594	1,066,262
		<u>35,212,573</u>	<u>16,538,845</u>



### Schedule 20 :

#### ADMINISTRATIVE & SELLING EXPENSES

	<u>In Rupees</u> <u>As at 31st</u> <u>March 2009</u>	<u>In Rupees</u> <u>As at 31st</u> <u>March 2008</u>
Auditors Remuneration		
for Audit Fees	241,697	50,000
for Tax Audit	30,000	15,000
for Certification & other fees	70,000	15,000
for Out-of pocket expenses	11,500	-
Carriage Outwards	21,235,128	17,282,451
Donations	275,265	1,447,900
Administrative Expenses	719,364	940,385
Bad Debts	75,804	279,087
Legal & Professional Charges	11,492,135	11,804,207
Commission	860,822	464,769
Advertisement & Publicity	1,268,520	1,976,213
Marketing Expenses	1,418,124	4,158,369
Miscellaneous Expenses	6,342,021	8,571,979
Rent	575,748	40,000
Vehicle Running & Maintenance Expenses	3,511,513	2,565,394
Printing & Stationery	3,365,163	2,258,281
Postage & Courier Expenses	1,153,776	713,575
Rates and Taxes	340,772	548,271
Repairs and Maintenance		
Plant & Machinery	2,958,001	953,603
Building	2,139,641	2,828,229
Factory	39,300	-
Office	25,382	-
Others	1,657,985	619,385
Sales Promotion Expenses	4,269,364	6,049,555
Telephone Expenses	2,286,645	1,740,221
Travelling and Conveyance	12,650,806	4,414,475
Foreign Exchange Fluctuation Loss	-	1,068,288
	<u>78,954,477</u>	<u>70,804,637</u>

### Schedule 21 :

#### FINANCE CHARGES

Interest		
- On Term Loans	3,596,935	5,010,398
- Others	16,927,871	6,803,224
Bank & L/C charges	4,004,752	1,536,473
	<u>24,529,558</u>	<u>13,350,095</u>



**SCHEDULE-22 Significant Accounting Policies and Notes to the Accounts**

**1. Significant Accounting Policies**

**Accounting convention**

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted principles in India and provisions of the Companies Act, 1956 read with the Companies (Accounting Standard) Rules, 2006 except so far as they relate to insurance claims which are accounted on acceptance or certainty of recovery.

**Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

**Fixed Assets and Depreciation**

Fixed assets are stated at cost of acquisition except certain items, which have been shown at revalued amount. Direct costs are capitalized until assets are ready to be put to use and are stated net of modvat/cenvat.

Advances paid towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Assets are depreciated / amortised, as below, on straight line basis:

- a) Depreciation on leasehold land is provided upto 31.3.1994. No depreciation has been charged on leasehold land in subsequent years.
- b) Leasehold land, buildings and plant & machinery subject to revaluation, is calculated on the respective revalued amounts, over the balance useful life as determined by the valuation experts.
- c) Assets acquired upto 31-3-1987, at the rates specified in the Income Tax Rules prevalent in the respective years. Buildings, plant & machinery and other assets, acquired after 1.4.1987, at the rates specified in Schedule XIV to the Companies Act, 1956.
- d) Depreciation is charged on a proportionate basis for all assets purchased and sold during the period. Individual assets costing less than Rs. 5,000 are depreciated in full in the period of purchase.

**Investments**

Long term investments are stated at cost less provision for diminution other than temporary, if any. Current investments are valued at lower of cost and market value.

**Inventories**

Inventories are valued at lower of cost and net realisable value, cost being ascertained on the following basis:

- a) Raw materials, stores, spares, consumable tools and components: on First in First out (FIFO) formula.
- b) Work-in-process, finished / trading goods include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.
- c) Cost includes taxes and duties and is net of credits under Cenvat / VAT.



### Foreign Currency transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at year end rates. Exchange differences arising on the settlement of transactions and translation of monetary items are recognized as income or expense.

### Revenue recognition

- a) Revenue from sale of products is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is net of sales tax/Vat and applicable discounts.
- b) Materials returned/rejected are accounted for in the year of return/rejection.
- c) Export entitlements and other Government grants, if any are recognized in the accounts on consideration of certainty of their receipts.
- d) Derivative transactions are considered as off Balance Sheet items and Cash Flows arising therefrom are recognized in the accounts on their respective settlements as per terms of contracts.
- e) Dividend income is recognised when the right to receive the dividend is established.

### Employee benefits

- a) Short term employee benefit obligations are estimated and provided for
- b) Post employment benefits and other long term employee benefits

Defined contribution plans:

Company's contribution to Provident fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to revenue.

Defined Benefit plans:

Company's liability towards gratuity and other retirement benefits are actuarially determined at each balance sheet date and provided/paid to Life Insurance Corporation of India.

### Tax, Duties, etc.

Excise duty has been accounted for in respect of goods cleared. Provision for excise duty has also been made for goods lying in stock in the factories at the year-end. This accounting treatment has no impact on the profits for the year.

### Taxation

Provision for taxation is made on the basis of estimated taxable income for current accounting year in accordance with the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Consequent to the introduction of Fringe Benefit Tax ("FBT"), the Company provides for and discloses the FBT as part of Taxes in accordance with the provisions of Section 115WC of the Income Tax Act, 1961.

### Earnings per Share

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for stock splits.

### Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



**2. Notes to Accounts**

**1. Contingent liabilities and commitments**

Guarantees outstanding as at 31<sup>st</sup> March 2009 Rs.3,644,289 (As at 31<sup>st</sup> March 2008: Rs.2,428,289)

**2. Share Capital**

(a) During the year, 5,00,000 warrants outstanding as at 31<sup>st</sup> March, 2008 have been converted into 10,00,000 equity shares of Rs. 2/- each. In term of SEBI Guidelines and the Stock Exchange List Agreement , these shares rank pari-passu with the existing equity shares in all respects including dividend.

(b) The Company's application in the matter of Scheme of Amalgamation of Ferroseal India Private Limited, Filarc Engineers Private Limited, Sagar Merchandise Private Limited hereinafter collectively called Transferor Companies with GEE Limited (the Company) have been approved by the Honourable High Court, in Mumbai and Kolkata and the Order sanctioning the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956 has been passed on 23<sup>rd</sup> day of January ,2009 (Received on 04.02.2009 ) and 4<sup>th</sup> day of August, 2008 (Received on 25.09.2008) respectively. The Scheme, although effective from 1<sup>st</sup> April 2008 it shall become operative from the dates on which certified copies of the Order of the High Court are filed with the Registrar of Companies (ROC). (Certified copies have been filed with ROC on 05.02.2009 and 12.03.2009).

In accordance with the said Scheme :

- i. The assets and liabilities, rights and obligations of the Transferor Companies shall, without any further act or deed be and shall stand transferred to and rested in and/or deemed to be transferred to and vested in the Company pursuant to the provisions of Section 394 and other applicable provisions of the Companies Act, 1956. The Scheme has accordingly been given effect to in these accounts.
- ii. The operations of the Transferor Companies include the manufacturing and sale of welding electrodes .
- iii. The Scheme of Amalgamation has been accounted for under the "pooling of interest" method (AS 14) as prescribed by the Institute of Chartered Accountants of India. Accordingly the assets, liabilities and reserves of transferor companies as at 1<sup>st</sup> April, 2008 have been taken over at their book values.
- iv. Pursuant to the Scheme of Amalgamation, the equity shares of Rs. 2/- each of the Company are to be issued to the shareholders of Ferroseal India Private Limited in the ratio of 5 equity share of the face value of Rs. 2/- each fully paid in exchange for 14 equity share of the face value of Rs. 10/- each fully paid up in Ferroseal India Private Limited. In case of Filarc Engineers Private Limited the shares are to be issued to the shareholders of Filarc Engineers Private Limited in the ratio of 5 equity share of face value of Rs. 2/- each fully paid up in the Company for every 14 equity shares of the face value of Rs. 10/- each fully paid up in Filarc Engineers Private Limited. In case of Sagar Merchandise Private Limited, the shares are to be issued to the shareholders of Sagar Merchandise Private Limited in the ratio of 5 equity share of the face value of Rs. 2/- each fully paid in the Company for every 8 equity shares of the face value of Rs. 10/- each fully paid up in Sagar Merchandise Private Limited. As a result the Company has allotted 901,786 equity shares to the share holders of transferor companies.
- v. All assets & liabilities of transferor companies as on the date immediately preceding the 'appointed date' have been incorporated in the books of **the** company at their respective book values on the basis of audited accounts of the Transferor Companies.
- vi. The difference between the face value of equity shares issued by the company in exchange as per the Scheme and the share capital of transferor companies amounting to Rs. 21,196,428 has been credited to capital reserve. Accordingly an amount of Rs. 21,196,428 is transferred to Capital Reserve. The allotment of shares of the Company to the shareholders of the transferor companies has been approved on 23.02.2009 and the shares have since been issued to the shareholders of the transferor companies.





The aforesaid share exchange ratio has been considered as per the expert valuation made by a firm of Chartered Accountants, and approved by the Board of Directors of the respective Transferor/ Transferee Companies and also respective Honourable High Courts.

- (c) During the year the Company issued 3,150,117 Bonus Shares in the ratio of 1 equity share for every 5 equity shares. Accordingly 3,150,117 equity shares have been issued to the equity share holders in terms of SEBI Guidelines and the Stock Exchange Listing Agreement, these shares rank pari-passu with the existing equity shares in all respects including dividend.
- (d) The Board of Directors in their meeting held on 30<sup>th</sup> June, 2009 has proposed issue of Bonus Shares to the Equity Shareholders in the ratio of 1:4. Accordingly 4,725,175 equity shares would be issued subject to the approval of shareholders. In terms of SEBI Guidelines and the Stock Exchange Listing Agreement these bonus shares will also receive dividend. The above bonus shares have been considered while calculating diluted Earning Per Share and for restating the previous year Earning Per Share.

**3. Secured Loan:**

Term Loan: As at 31<sup>st</sup> March 2009, Rs. 17,680,087 (P.Y. Rs. 36,116,876) is secured by hypothecation of all existing and future plant & machinery, equipments and land & building.

Cash Credit: As at 31<sup>st</sup> March 2009, Rs. 133,736,423 (P.Y. Rs.50,491,279) are secured by all stock of raw material, semi-finished goods, work-in-progress, finished goods and book debts.

Above loans are further secured by collateral security of the leasehold land at Thane and Kalyan, flat at Siddhanchal and building at Thane Unit. The loans are also guaranteed by Mr. S. L. Agarwal, Managing Director and Mr. S.M. Agarwal, Executive Director.

Vehicle loans are secured by hypothecation of vehicles.

- 4. No amount was due for credit to Investor Education & Protection Fund as at 31<sup>st</sup> March 2009.
- 5. The amount due to SSI units as at 31<sup>st</sup> March 2009 are not outstanding for more than 30 days.
- 6. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been furnished.
- 7. In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
- 8. The Company, during the year, imported certain materials and after customizing and further processing to consumer specifications/requirements sold the same to local and upcountry customers/dealers. The Company paid Counter Vailing Duty (CVD) and Additional Custom Duty (ACD) while dispatching/selling the materials from the factory, the Company cleared the materials by adjusting the excise duty payable on them to the aforesaid duties paid i.e. CVD and ACD. The Excise Authorities have not accepted the Company's contention that they are eligible for setting off excise duty payable on dispatches against CENVAT credit on imports. The Company, on instructions of Excise Authorities, have reversed under protest the CENVAT credit availed to the tune of Rs.2.10 Crores. The Company has now obtained expert's opinion confirming that the Company has not taken any wrongful credit and that they are eligible for claiming set-off for excise duty payable on dispatches/sale. The Company is contesting the case and has pleaded before the Excise Authorities to permit them to utilize the duty credit reversed earlier. Accordingly, a sum of Rs.2.10 Crores reversed under protest has been shown under "Claims against the Excise Authorities" under the head Loans & Advances. The management is hopeful of getting favourable orders from the Excise Authorities and therefore no provision is considered necessary as the matter is one of interpretation of law. In the event the legal expert's views/arguments are not acceptable to the Excise Authorities and also by the Honourable Courts, then it is expected that some reduction might take place in the total refund claims and the same may have to be absorbed by the Company. The extent of such liability is not ascertainable/quantifiable at this stage.



9. Details of Foreign Currency balances not hedged :

Particulars	2008-2009			2007-08	
	Foreign Currency Denomination	Foreign Currency Amount	Indian Rupee (equivalent in lacs)	Foreign Currency Amount	Indian Rupee (equivalent in lacs)
Assets (Trade Receivable)	USD	284,824	145.12	3,93,260	157.18
Assets (Advances)	EUR	1,516	1.02	8,640	5.45
Assets (Advances)	USD	127,590	65	166,520	66.56
Liabilities (Trade Receivable)	USD	26,518	13.49	-	-
Liabilities (Sundry Creditors)	USD	-	-	117,216	46.85

10. Consequent upon adoption of Accounting Standard on 'Employee Benefits' (AS 15) Revised 2005, issued by The Institute of Chartered Accountants of India, the Company has followed the revised standard. As required by the Standard, following disclosures are made.

The Company has funded the gratuity liability through LIC of India. The following actuarial assumptions are followed by LIC.

**Actuarial Assumptions:**

Mortality Rate	As per 1994-96 LIC mortality tables (Std.)
Withdrawal Rate	Actual during last three years
Salary Escalation Rate	4% for each year
Discounting Rate	Present discounting rate at LIC 8%
Gratuity Benefits	As per Company rules

**Gratuity Valuation as per AS-15**

a) Change in Benefit Obligations		Rs. (Lacs)
	Projected benefit obligations at beginning of the period	1328711
	Current Service Cost	149921
	Contribution by Plan participants	226165
	Interest Cost	106297
	Benefits Paid	(416801)
	Actuarial Gain/(loss)	277725
	Projected benefit obligations at the end of the period	1445853
b) Change in Plan Assets		
	Plan assets at the beginning of the period at fair value	1901101
	Contributions	226165
	Expected return of plan assets	160853
	Actuarial Gain/(loss)	277725
	Benefits Paid	(416801)
	Plan assets at end of the period at fair value	1871318

**11. Earnings per Share**

Basic earnings per share	2008-09	2007-08
Profit after taxation as per Profit and Loss account	38,865,301	33,720,023
Weighted average number of equity shares outstanding	18,900,703	17,818,560
Basic earnings per share (Face Value of Rs.2 each)	2.06	1.89*

\*P. Y. EPS had been restated for bonus shares

Diluted earnings per share	2008-09	2007-08
Profit after taxation as per Profit and Loss account	38,865,301	33,720,023
Weighted average number of equity shares outstanding Including potential equity shares on account of proposed issue of bonus shares	23,625,879	22,543,736
Diluted earnings per share (Face Value of Rs.2 each)	1.65	1.50*

\*Previous year diluted earning per share has been restated for bonus shares.

**12. Composition of net deferred tax liability**

Deferred tax liabilities	As at 1st April, 2008	For the year 2008-09	As at 31st March 2009
Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	6,804,261	5,826,558	12,630,819

**13. Segment Information**

The Company is principally engaged in a single business segment viz., welding electrodes and related components and operates in one geographical segment as per Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

**14. Related Party Disclosures**

Related Party disclosures, as required by AS-18 "Related Party Disclosures" are given below:-

**1. Relationship**

**(I) Key management personnel (Whole Time Directors)**

Mr. S. L. Agarwal - Managing Director

Mr. S. M. Agarwal - Executive Director

Mr. M. P. Dhanuka - Executive Director (Marketing)

Mr. Umesh Agarwal - Whole Time Director

Mr Avinash Saraf - Whole Time Director



**(ii) Companies where Significant influence exists (with whom transactions have taken place)**

Anant Business Pvt. Ltd  
 R Shankarlal Sales Pvt Ltd  
 Vidya Finvest Pvt. Ltd.  
 Vitro Commodities Pvt. Ltd.  
 Bakshi Chempharma Pvt. Ltd.

The following transactions were carried out with related parties in the ordinary course of business:

	<b>2008-09</b>		<b>2007-08</b>	
	Key management personnel	Companies where significant influence exists	Key management personnel	Companies where significant influence exists
Salaries & Allowances	4,103,171	-	35,61,499	-
Purchase	-	-	-	1,25,52,299
Sales		30,700,941	-	7,05,22,404
Loan Taken		5,000,000	-	2,00,00,000
Loan repaid		5,000,000	-	3,75,00,000
Interest Paid		205,480	-	11,94,435
Guarantee obtained for working capital of the Company	200,000,000		8,75,00,000	-

Note: Related party relationship is as identified by the company and relied upon by the auditors.

**15. a) Information regarding managerial remuneration**

Profit & Loss Account includes managerial remuneration as under:

	<b>2008-09</b> (Rs.)	<b>2007-08</b> (Rs.)
Salary	3,817,974	3,108,000
Perquisites/Allowances	823,019	231,739
Contribution towards Superannuation/Provident Funds	285,197	221,760
<b>Total</b>	<b>4,103,171</b>	<b>3,561,499</b>

**Note:** a) The computation of managerial remuneration u/s 198/349 of the Companies Act, 1956 has not been provided as no commission is paid to the Directors.



16. Additional information (pursuant to the provisions of Part II & Part IV of Schedule VI to the Companies Act, 1956)

**A. Capacities & Production**

Product	Licensed Capacity/ Registered Capacity		Installed Capacity		Production	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Welding Electrodes (kgs.)	N. A.	N. A.	19,200 M.T.	13,200 M.T.	<b>9,837,185</b>	4,057,020
Welding Electrodes (pcs.)					<b>279,448,513</b>	158,059,778

**B. Stock & Sales of goods produced**

Product	Unit of Measurement	Qty.	2008-09	2007-08
			Value (in Rs.)	Value (in Rs.)
<b>Welding Electrodes</b>				
Opening Stock *	Pcs.	9,460,372	<b>38,540,365</b>	13,923,274
	Kgs.	231,777		
Sales	Pcs.	266,724,873	<b>1,350,251,593</b>	805,631,548
	Kgs.	8,687,960		
Closing stock	Pcs.	70,29,051	<b>31,848,439</b>	28,953,786
	Kgs.	7,13,383		

\* Includes for amalgamating companies Rs. 9,586,584

**C. Consumption of Raw Materials**

	Qty Pcs	Current Year 2008-09		Previous Year 2007-08	
		Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
Wire	1,36,915	14,211,410	700,683,096	8,037,794	279,573,196
Chemicals		5,147,855	212,186,981	1,929,785	65,218,613
Others		-	-	-	192,393,333
<b>Total</b>			<b>912,870,077</b>		537,185,142



**D. Consumption of Imported & Indigenous Raw Material, Stores & Spares**

	2008-09		2007-08	
	Value (Rs.)	%	Value (Rs.)	%
<b>Raw Material</b>				
Imported	<b>291,563,272</b>	<b>32</b>	<b>164,426,099</b>	31
Indigenous	<b>621,306,805</b>	<b>68</b>	<b>372,759,043</b>	69
<b>Total</b>	<b>912,870,077</b>	<b>100</b>	<b>537,185,142</b>	100
<b>Stores &amp; Spares</b>				
Imported	<b>2,132,759</b>	<b>16</b>	<b>386,096</b>	4
Indigenous	<b>11,365,415</b>	<b>84</b>	<b>8,373,841</b>	96
	<b>13,498,174</b>	<b>100</b>	<b>8,759,937</b>	100

**E. Value of Imports on CIF basis**

	Current Year (Rs.)	Previous Year (Rs.)
Raw material	<b>288,713,176</b>	103,016,765
Stores and Spares	<b>13,957,349</b>	386,096

**F. Expenditure in Foreign Currency**

Travelling	<b>3,119,174</b>	2,393,677
------------	------------------	-----------

**G. Earnings in Foreign Currency**

FOB value of exports	<b>168,949,694</b>	77,967,525
Agency commission	<b>NIL</b>	397,697

16. In view of the matter stated in Notes to Accounts on Scheme of Amalgamation and its treatment in the accounts the figures of the previous year are not directly comparable with those of previous year.

17. Previous year's figures have been regrouped / rearranged wherever considered necessary, to conform to the current period's presentation.

As per our report of even date annexed

For and on behalf of the Board

**For Ford, Rhodes, Parks & Co.**  
Chartered Accountants

**S. L. Agarwal**  
Managing Director

**A. D. Shenoy**  
Partner  
Membership No. FCA 11549

**Place : Thane**  
**Date : June 30, 2009**

**S. M. Agarwal**  
Executive Director



### SCHEDULE 22 (Contd.)

#### I. Balance Sheet Abstract & Company's General Business Profile

##### (a) Registration Details:

Registration No.	L99999MH1960PLC011879	State Code	11
Balance Sheet Date	31.03.2009		

##### (b) Capital raised during the year : (Amount in Rs. Thousands)

Public issue	Nil	Right issue	NIL
Bonus issue	6300	Private Placement	1803

##### (c) Position of mobilisation and deployment of funds : (Amount in Rs. Thousands)

Total Liabilities	448,142	Total Assets	448,142
-------------------	---------	--------------	---------

##### Source of Funds:

Paid up Capital	37,801	Reserves & Surplus	227,314
Secured Loans	156,293	Unsecured Loans	14,102

##### Application of Funds:

Net Fixed Assets	174,620	Investments	133
Net Current Assets	273,389	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		

##### (d) Performance of Company: (Amount in Rs. Thousands)

Turnover (Gross)*	1,354,863	Total Expenditure	1,124,431
Profit/(Loss) before tax after extra-ordinary items	64,833	Profit/(Loss) after Tax	38,865
Basic Earnings per share (Rs.)	2.06	Dividend Rate	15%
Diluted Earning per share (Rs.) before extra-ordinary items	1.65		

\* Including other Income and Export Incentives.

##### (e) Generic Names of principal product, services of the Company:

Item Code No. 83.11	Product Description	Welding Rods
---------------------	---------------------	--------------

Schedules 1 to 22 annexed to and forming part of the statement of accounts have been duly authenticated.

As per our report of even date annexed

For and on behalf of the Board

**For Ford, Rhodes, Parks & Co.**

Chartered Accountants

**S. L. Agarwal**  
Managing Director

**A. D. Shenoy**

Partner

Membership No. FCA 11549

Place: Thane

Date : June 30,2009

**S. M. Agarwal**

Executive Director



# GEE Limited

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 48<sup>th</sup> Annual General Meeting of the Members of **GEE LIMITED** will be held on Wednesday the 30<sup>th</sup> September 2009 at 11.00 a.m. at Hotel Satkar Residency, Pokhran Road No. 1, Thane (West) 400 606, India to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account of the company for the year ended March 31, 2009, the Balance Sheet as on date, Auditors' Report thereon and the Directors' Report.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Sujit Sen who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. Dhanuka who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Avinash Saraf who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** in supersession of earlier resolution passed through postal ballot and in accordance with the provisions of Sections 198, 269, 309, 311 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to revise the remuneration and perquisites of Shri S. L. Agarwal, Managing Director of the company w.e.f. 01.08.2009, as under;

- a. Salary : Rs. 90,000/- p. m.
- b. House Rent Allowance : Rs. 45,000/- p. m.
- c. Utility Allowance : Rs. 48,075/- p. m.
- d. Medical Allowance : One Month's Salary for one year's service for self and family.
- e. Provident Fund, Family Pension Scheme Contribution : As applicable to Senior Executives of the Company (at present 12% of the salary) and as revised from time to time
- f. Leave travel Assistance : One Month's Salary for one year's service for self and family to any place in India
- g. Leave Encashment : As per company's rules applicable to the Senior Executives of the company.
- h. Gratuity and Superannuation Scheme : As per company's rules applicable to the Senior Executives of the company.
- i. Other Perquisites : Car, Telephone etc. as per Company's rules.

**"FURTHER RESOLVED** that notwithstanding to the above in the event of any loss or inadequacy of profit u/s 349 and 350 of Companies Act, 1956 in any financial year of the Company during the tenure of Shri S. L. Agarwal as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in section II and Part II of Schedule XIII of the Companies Act, 1956".

**"FURTHER RESOLVED** that Board may revise the salary structure of Managing Director from time to time during his tenure as Managing Director, the remuneration payable to him shall be in accordance with the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act".

**"FURTHER RESOLVED** that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matter and things as it may in its absolute discretion deem necessary, expedient, usual and proper in the interest of the Company".

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** in supersession of earlier resolution passed through postal ballot and in accordance with the provisions of Sections 198, 269, 309, 311 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to revise the remuneration and perquisites of Shri S. M. Agarwal, Executive Director of the company w.e.f. 01.08.2009 as under;

- a. Salary : Rs. 50,000/- p. m.
- b. House Rent Allowance : Rs. 25,000/- p. m.
- c. Utility Allowance : Rs. 27,208/- p. m.
- d. Medical Allowance : One Month's Salary for one year's service for self and family.
- e. Provident Fund, Family Pension Scheme Contribution : As applicable to Senior Executives of the Company (at present 12% of the salary) and as revised from time to time
- f. Leave travel Assistance : One Month's Salary for one year's service for self and family to any place in India



- g. Leave : As per company's rules applicable to the Senior Executives of the company.
- h. Gratuity and Superannuation Scheme : As per company's rules applicable to the Senior Executives of the company.
- i. Other Perquisites : Car, Telephone etc. as per Company's rules.

**"FURTHER RESOLVED** that notwithstanding to the above in the event of any loss or inadequacy of profit u/s 349 and 350 of Companies Act, 1956 in any financial year of the Company during the tenure of Shri S.M. Agarwal as Executive Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in section II and Part II of Schedule XIII of the Companies Act, 1956".

**"FURTHER RESOLVED** that Board may revise the salary structure of Executive Director from time to time during his tenure as Executive Director, the remuneration payable to him shall be in accordance with the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act".

**"FURTHER RESOLVED** that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matter and things as it may in its absolute discretion deem necessary, expedient, usual and proper in the interest of the Company".

**9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:**

**"RESOLVED THAT** in supersession of earlier resolution passed through postal ballot and in accordance with the provisions of Sections 198, 269, 309, 311 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to revise the remuneration and perquisites of Shri Avinash Saraf, Wholetime Director of the company w.e.f. 01.08.2009, as under;

- a. Salary : Rs. 20,000 /- p. m.
- b. House Rent Allowance : Rs. 10,000 /- p. m.
- c. Utility Allowance : Rs. 10,808 /- p. m.
- d. Medical Allowance : One Month's Salary for one year's service for self and family.
- e. Provident Fund, Family Pension Scheme Contribution : As applicable to Senior Executives of the Company (at present 12% of the salary ) and as revised from time to time
- f. Leave travel Assistance : One Month's Salary for one year's service for self and family to any place in India
- g. Leave Encashment : As per company's rules applicable to the Senior Executives of the company.
- h. Gratuity and Superannuation Scheme : As per company's rules applicable to the Senior Executives of the company.
- i. Other Perquisites : Car, Telephone etc. as per Company's rules.

**"FURTHER RESOLVED** that notwithstanding to the above in the event of any loss or inadequacy of profit u/s 349 and 350 of Companies Act, 1956 in any financial year of the Company during the tenure of Shri Avinash Saraf, as Wholetime Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in section II and Part II of Schedule XIII of the Companies Act, 1956".

**"FURTHER RESOLVED** that Board may revise the salary structure of Wholetime Director from time to time during his tenure as Wholetime Director, the remuneration payable to him shall be in accordance with the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act".

**"FURTHER RESOLVED** that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matter and things as it may in its absolute discretion deem necessary, expedient, usual and proper in the interest of the Company".

**10. To consider and if thought fit to pass, with or without modification, the following resolution as **Special Resolution**;**

**"RESOLVED THAT** pursuant to section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Directors Relative (office or Place of profit) Rules, 2003 or any amendment or substitution thereof, subject to Central Government approval and any other approval required, if any, approval of the company be and is hereby accorded to Mr. G. K. Saraf (Father of Mr. Avinash Saraf, Wholetime Director of the Company) to hold and continue to hold office or place of profit under the company as Chief Executive Officer (CEO) upon a monthly remuneration as detailed in explanatory statement annexed hereto with effect from 1<sup>st</sup> August, 2009.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effective to this resolution."

**11. To consider and if thought fit to pass, with or without modification, the following resolution as **Special Resolution**;**

**"RESOLVED THAT** pursuant to section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Directors Relative (office or Place of profit) Rules, 2003 or any amendment or substitution thereof, subject to Central Government approval and any other approval required, if any, approval of the company be and is hereby accorded to Mr. Om Prakash Agarwal (Brother of Mr. S. L. Agarwal, Managing Director of the Company) to hold and continue to hold office or place of profit under the company as President (Marketing) upon a monthly remuneration as detailed in explanatory statement annexed hereto with effect from 1<sup>st</sup> August, 2009.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effective to this resolution."

**12. To consider and if thought fit to pass, with or without modification, the following resolution as **Special Resolution**;**

**"RESOLVED THAT** pursuant to section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Directors Relative (office or Place of profit) Rules, 2003 or any amendment or substitution thereof subject to Central Government approval and any other approval required, if any, approval of the company be and is hereby accorded to Mr. Umesh Agarwal (Brother of Mr. S.L. Agarwal, Managing Director of the Company) to hold and continue to hold office or place of profit under the company as V.P.(Technical) upon a monthly remuneration as detailed in explanatory statement annexed hereto with effect from 1<sup>st</sup> August, 2009.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effective to this resolution."

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

**"RESOLVED THAT** pursuant to section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Directors Relative (office or Place of profit) Rules, 2003 or any amendment or substitution thereof, and subject to any other approval required, if any, approval of the company be and is hereby accorded to Mrs. Payal Agarwal (Relative of Mr. S. L. Agarwal, Managing Director of the Company) to hold and continue to hold office or place of profit under the company as V.P.(Finance) upon a monthly remuneration as detailed in explanatory statement annexed hereto with effect from 1<sup>st</sup> August, 2009.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

**"RESOLVED THAT,** pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs. 5,00,00,000/- (Rs. Five Crore) only divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs. 2/- each to Rs. 10,00,00,000/- (Rs. Ten Crores) only divided into 5,00,00,000 (Five Lacs) Equity Shares of Rs. 2/- each."

**"RESOLVED FURTHER THAT,** existing clause V of the Memorandum of Association of the Company pertaining to Share Capital be deleted and be substituted by following new clause V:

V. The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) only divided into 5,00,00,000 Equity Shares of the face value of Rs. 2/- each."

**"RESOLVED FURTHER THAT,** pursuant to Section 31 and other relevant provisions, if any, of the Companies Act, 1956 existing Article of the Articles of Association of the Company be deleted and be substituted by the following Article 3:

3. The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) only divided into 5,00,00,000 Equity Shares of Rs. 2/- each."

15. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Special Resolution:**

**"RESOLVED THAT,** the pursuant to Section 293(1) (d) of the Companies Act, 1956, and in modification of the consent given by the Company in the Extra Ordinary General Meeting held on 9<sup>th</sup> January, 2006 the consent of the Company be and is hereby given to the Board of Directors of the Company to borrow for and on behalf of the Company from time to time as they may consider fit any sum or sums of money in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian Rupees or any other foreign currency from any bank or banks or any financial institutions, other person or persons, and whether the same be unsecured or secured, and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in respect of all or any of the Company's assets and effects and properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or in transit) notwithstanding that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans and credits obtained or to be obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose; provided that, the total amount so borrowed secured by the Board of Directors shall not at any time exceed Rs. 200.00 crores ( Rupees Two Hundred crores) , notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserve of the Company.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or duly constituted Committee thereof, be and is hereby authorized to finalise, settle and execute such documents/deeds /writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to resolve any question, difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company.

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

**"RESOLVED THAT** consent of the Company be and is hereby accorded, pursuant to Section 293 (1)(a) and all other enabling provisions, if any, of the Companies Act 1956, to the Board of Directors of the Company (hereinafter referred to as the Board) to create security by way of mortgage and/or charge or otherwise in respect of all or any part of the Company's undertaking(s)/immovable properties and fixed assets including land, building, plant and machineries wheresoever situated, both present and future and a floating charge over the whole or any part of the undertaking(s) of the Company including movable/current assets to secure the repayment of loan(s) (in foreign currency/or rupee currency) and securities (comprising fully/partly convertible debentures and /or non convertible debentures with or without detachable or non detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments) borrowed or issued by the Company from time to time, to or in favour of banks, trustees and/or financial institutions/other entities in such manner and on such terms and conditions as the Board may think fit, together with interest at the respective agreed rates, additional interests, commitment charges, premia on pre-payment or on redemption, costs, charges and expenses and all other monies payable by the Company in terms of loan agreement(s) /other agreement (s), debenture trust deed, security or other document(s) entered into/to be entered into by the Company and the lender(s) in respect of the said borrowing(s) for an aggregate amount not exceeding Rs. 200 Crores.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or duly constituted Committee thereof, be and is hereby authorized to finalise, settle and execute such documents/deeds /writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to resolve any question, difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company.

**By Order of the Board**

Sd/-

Place : Thane  
Date : 27/08/2009

**S. M. Agarwal**  
Executive Director

**NOTES:**

**(a) Proxy:**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.

Proxies in order to be effective must be received by the Company at its registered Office not less than 48 hours before the meeting

**(b) Book Closure:**

- I. The Register of Members & Share Transfer Books of the Company will remain closed from Monday 28<sup>th</sup> September, 2009 to Wednesday 30<sup>th</sup> September 2009 (both days inclusive) for the purpose of Annual General Meeting.
- II. Members of the Company holding more than one Share Certificate in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant Equity Share Certificates to the Company's Registrar & Share Transfer Agent.

**(c) Dividend Payment:**

- I. The dividend, as recommended by the Board, if declared at the Annual general meeting, will be paid within Thirty days of said meeting to those members whose names stand registered on the company's Register of Members:
  1. As Beneficial Owners as at the end of business hours on 25<sup>th</sup> September, 2009 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Demat form.
  2. As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the company, on or before 25<sup>th</sup> September 2009.
- II. The shareholders are requested to furnish their Bank Account number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants besides the name of the shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Transfer Agents, quoting the folio number.
- III. The Company is also offering the facility of Electronic Clearing Service (ECS) for shareholders residing in specified cities. This facility could be used by the shareholder instead of Bank Mandate system for receiving the credit of Dividend. To avail this facility, the shareholders are requested to fill in the enclosed option form and send the same to Registrar & Transfer Agents.

**(d) Nomination Facility:**

Pursuant to Section 109A of the Companies Act, 1956 individual Shareholders holding Shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Shareholders. Members may kindly get in touch with the Secretarial Department at the Company at its registered Office, for inquiries in this regard.

**(e) inspection:**

The Company has been maintaining inter alia, the following statutory registers at its registered office at Thane, which are open to inspection of members and others as prescribed in the respective sections of the Companies Act, 1956 as specified below

- I. Register of contract with companies and firms in which Directors are interested under Section 301 of the Companies Act, 1956 on all working days during business hours.
- II. Register of Directors' shareholdings under Section 307 of the Companies Act, 1956 on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after the date of its conclusion.

**(f) Shareholders' Information:**

- I. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- II. Shareholders desiring any information with regard to the Accounts are requested to write to the company at least 7 days in advance so as to enable the company to keep the information ready at the meeting.

**(g) Explanatory Statement:**

The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item No. 7 to 16 of the Notice set out above, are annexed hereto.

**(h) Change of Address:**

Members are also requested to notify **CHANGE OF ADDRESS** if any, immediately to the Company's Registrar of Share Transfer Agent by quoting their Registered Folio number(s):

**Sharepro Services (India) Pvt. Ltd.** 13 AB Samhita Warehousing Complex, 2nd Floor Off. Andheri Kurla, Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai 400 072

**Annexure to the Notice**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No. 7**

The Board of Directors has decided to revise the remuneration and perquisites of Mr. S. L. Agarwal as detailed in the resolution w.e.f. 01.08.2009, in order to bring it in line with the overall salary structure at similar levels in the industry.

Except Mr. S. L. Agarwal, none of the other Directors are concerned or interested in the proposed resolution.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

The Board of Directors commends the resolution for your approval.

**Item No. 8**

The Board of Directors has decided to revise the remuneration and perquisites of Mr. S. M. Agarwal as detailed in the resolution w.e.f. 01.08.2009, in order to bring it in line with the overall salary structure at similar levels in the industry.

Except Mr. S. M. Agarwal, none of the other Directors are concerned or interested in the proposed resolution.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

The Board of Directors commends the resolution for your approval.

**Item No. 9**

The Board of Directors has decided to revise the remuneration and perquisites of Mr. Avinash Saraf as detailed in the resolution w.e.f. 01.08.2009, in order to bring it in line with the overall salary structure at similar levels in the industry.

Except Mr. Avinash Saraf, none of the other Directors are concerned or interested in the proposed resolution.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

The Board of Directors commends the resolution for your approval.

**Item No. 10**

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> July, 2009 has decided to appoint Mr. G.K.Saraf as Chief Executive Officer w.e.f 1<sup>st</sup> August, 2009 on following salary /benefits, subject to approval of shareholders as per Section 314(1B) of the Companies Act and Directors Relative (office or place of profit) Rules, 2003.

- a. Salary: Rs. 50,000/- per month with such annual increments as may be decided by the Committee of Directors so as to salary and perquisites does not exceed Rs. 50,000/- per month.
- b. Perquisites and other benefits: In addition to salary the said Mr. G. K. Saraf shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rule. Wherever applicable, in the absence of any such rule, perquisites shall be evaluated at actual cost;
  1. House rent allowance 50% of salary.
  2. Medical reimbursement equivalent to one month salary for self and family.
  3. Leave Travel Allowance once in a year for an amount not exceeding Rs. 86,667/-for self and family to any place in India.
  4. Contribution to provident Fund as per rules of the Company
  5. Gratuity at the rate of 15 days salary for each completed year of service.
  6. Encashment of unavailed leave.

The Board of Directors of the Company recommend the resolution for approval of the members.

Except Mr. Avinash Saraf, none of the other director of the Company is in any way concerned or interested in the proposed special resolution.

**Item No. 11**

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> July, 2009 has decided to appoint Mr. Om Prakash Agarwal as President (Marketing) w.e.f 1<sup>st</sup> August, 2009 on following salary /benefits, subject to approval of shareholders as per Section 314(1B) of the Companies Act and Directors Relative (office or place of profit) Rules, 2003.

- a. Salary: Rs. 30,000/- per month with such annual increments as may be decided by the Committee of Directors so as to salary and perquisites does not exceed Rs. 50,000/- per month.
- b. Perquisites and other benefits: In addition to salary the said Mr. Om Prakash Agarwal shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rule. Wherever applicable, in the absence of any such rule, perquisites shall be evaluated at actual cost;
  1. House rent allowance 50% of salary.
  2. Medical reimbursement equivalent to one month salary for self and family.
  3. Leave Travel Allowance once in a year for an amount not exceeding Rs. 30,000/- for self and family to any place in India.
  4. Contribution to provident Fund as per rules of the Company
  5. Gratuity at the rate of 15 days salary for each completed year of service.
  6. Encashment of unavailed leave.

The Board of Directors of the Company recommend the resolution for approval of the members.

Except Mr. S. L. Agarwal & Mr. S. M. Agarwal, none of the other director of the Company is in any way concerned or interested in the proposed special resolution.

**Item No. 12**

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> July, 2009 has decided to appoint Mr. Umesh Agarwal as V.P(Technical) w.e.f 1<sup>st</sup> August, 2009 on following salary /benefits, subject to approval of shareholders as per Section 314(1B) of the Companies Act and Directors Relative (office or place of profit) Rules, 2003.

- a. Salary: Rs. 30,000/- per month with such annual increments as may be decided by the Committee of Directors so as to salary and perquisites does not exceed Rs. 50,000/- per month.
- b. Perquisites and other benefits: In addition to salary the said Mr. Umesh Agarwal shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rule. Wherever applicable, in the absence of any such rule, perquisites shall be evaluated at actual cost;

1. House rent allowance 50% of salary.
2. Medical reimbursement equivalent to one month salary for self and family.
3. Leave Travel Allowance once in a year for an amount not exceeding Rs. 30,000/- for self and family to any place in India.
4. Contribution to provident Fund as per rules of the Company
5. Gratuity at the rate of 15 days salary for each completed year of service.
6. Encashment of unavailed leave.

The Board of Directors of the Company recommend the resolution for approval of the members.

Except Mr. S. L. Agarwal & Mr. S. M. Agarwal, none of the other director of the Company is in any way concerned or interested in the proposed special resolution.

**Item No. 13**

Mrs. Payal Agarwal, Relative of Shri. S. L. Agarwal, is a Chartered Accountant. Before joining the Company she was working with KPMG, a leading audit & consultancy firm.

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> July, 2009 has decided to appoint her as V.P. (Finance) w.e.f 1<sup>st</sup> August, 2009 on following salary /benefits, subject to approval of shareholders as per Section 314(1B) of the Companies Act and Directors Relative (office or place of profit) Rules, 2003.

- a. Salary: Rs. 20,000/- per month with such annual increments as may be decided by the Committee of Directors so as to salary and perquisites does not exceed Rs. 50,000/- per month.
- b. Perquisites and other benefits: In addition to salary the said Mrs. Payal Agarwal shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rule. Wherever applicable, in the absence of any such rule, perquisites shall be evaluated at actual cost:
  1. House rent allowance 50% of salary.
  2. Medical reimbursement equivalent to one month salary for self and family.
  3. Leave Travel Allowance once in a year for an amount not exceeding Rs. 20,000/- for self and family to any place in India.
  4. Contribution to provident Fund as per rules of the Company
  5. Gratuity at the rate of 15 days salary for each completed year of service.
  6. Encashment of unavailed leave.

The Board of Directors of the Company recommend the resolution for approval of the members.

Except Mr. S. L. Agarwal & Mr. S. M. Agarwal, none of the other director of the Company is in any way concerned or interested in the proposed special resolution.

**Item No. 14**

The existing Authorised Share Capital of the Company is Rs. 5.00 Crore and considering the proposed business expansions, additional funds will have to be brought in by way of issue of further shares. In view of the same, the approval of the members is sought for increasing the Authorised Share Capital from Rs. 5.00 Crore to Rs. 10.00 Crores and also for consequent amendments in the Memorandum and Articles of Association of the Company. The Board recommends the resolution for the approval of the members.

None of the Directors of the Company is concerned or interested in the above Resolutions.

**Item No. 15**

By a Resolution passed at the Annual General Meeting held on 9<sup>th</sup> January, 2006, the Company had authorized the Board of Directors pursuant to Section 293 (1) (d) of the Companies Act, 1956 to borrow, from time to time, for and on behalf of the Company and for the purpose of its business (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) sums not exceeding the aggregate of Rs. 5.00 Crores (Rupees Five Crores only) . The Company is expanding its horizons by setting up a new plant in the state of West Bengal and Maharashtra. Taking into consideration the requirements of additional funds for the Company's Expansion plans and other plans to modernize existing plants which the Company has already under-taken, it is felt that it may become necessary for the Company to make arrangement for borrowing further sums with the result that the total borrowings might exceed the limit prescribed by the said Resolution. It is, therefore, proposed to increase the borrowing limit (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) to Rs. 200.00 Crores ( Rupees Two Hundred Crores Only ), under the terms of Section 293 (1) (d) of the Companies Act, 1956.

It is in these circumstances that the Resolution in this item of Notice is required to be passed and commended for your acceptance.

None of the Directors of the Company is concerned or interested in the above Resolution.

**Item No. 16**

Section 293 (1) (a) of the Companies Act 1956 provides inter alia that the Board of Directors of a Public Company shall not, except with the consent of its Members sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company.

The Board of Directors of the Company has proposals to borrow from banks/financial institutions/other entities for meeting financial requirement of the Company. The lenders may, in order to secure the repayment of the monies borrowed and /or other securities or debt instruments issued by the Company for or in respect of the business of the Company, insist on creation of mortgage and/or change in respect of all or any of the Copmpany's immovable/movable properties and assets in their favour in respect of such loans to be availed for an aggregate amount of Rs. 200 Crores.

The Board commends the resolution for approval by the Members.

None of the Directors are either concerned or interested in the above resolution.

**By Order of the Board**

Sd/-

**Place : Thane**  
**Date : 27/08/2009**

**S. M. Agarwal**  
Executive Director

**Details of Directors seeking re-appointment at the Annual General Meeting  
(In pursuance of clause 49 of the Listing Agreement)**

<b>1. Name of the Director:</b>	Mr. Sujit Sen
<b>Age:</b>	58 years
<b>Nature of Expertise</b>	<p>Mr. Sujit Sen aged 54 years, son of late Satindra Chandra Sen, is a Chartered Accountant by profession having 29 years of experience in this field. Mr. Sen, a Commerce graduate is a Fellow Member of Institute of Chartered Accountant of India. He is in practice since 1977 and has been associated with various reputed corporates. He is also associated with some prestigious Clubs of the country. He is also the Governing Body member of Calcutta Social Project a Non-Government Organisation.</p> <p>Mr Sujit Sen a proprietor of Sujit Sen &amp; Co functioning as Auditors of various organisations including co-operative societies, partnership firms, proprietorship concerns, non-governmental organisations and individuals. The firm has a fully geared computer department, equipped with IBM server and computers, bell-howell scanner and cd writers for data entry services and other computer related assignments, including encoding of micr cheques. Also the Firm has at its disposal more than 500 PCs and other peripherals for undertaking BPO jobs like conversion from PDF/JPEG/Tiff to Word.doc, Form filling, Engineering drawings and designs and similar assignments. In addition to the above the firm has a fully geared Software Development Centres specializing in designing and developing customized software.</p> <p>The firm has Chartered Valuers, Engineers, Computer Professionals, Chartered Management Accountants, Cost Accountants, Actuaries and professionals from a few other disciplines as associates.</p> <p>The List of Prestigious clients includes Balmer Lawrie Co. Ltd., Connectiva Systems Pvt. Ltd. (a 100% US Company), E-Force India Pvt. Ltd. (a 100% US Company), French Motor Car Co. Ltd., Gujrat Drugs and Pharmaceuticals Ltd., Hindustan Lever Ltd., Hind Lever Chemicals Ltd., I-Kinetics Inc. USA, Information Kinetics India Pvt. Ltd. (a 100% US company), Indian Aluminium Co. Ltd., Jessop &amp; Co Ltd, Liebherr-Werk Ehingen GmbH (a 100% German Company), North Bengal Dolomite Ltd., Pepsi Cola India Marketing Co Ltd., Steel Authority of India Ltd., The Kalyani Spinning Mills Ltd., Webel Mediatronics Ltd. and various Insurance Companies such as National Insurance Co. Ltd., New India Assurance Co. Ltd., Oriental Insurance Co. Ltd., United India Insurance Co. Ltd.</p> <p>The firm is also engaged by various banks to handle Back Office Support services and other Cash Management Services. The list of clients in this sphere of activity include DEUTSCHE BANK AG, Hutch, Airtel, TATA TELE SERVICES, TATA- AIG, CITIBANK NA, HDFC Bank, Corporation Bank, Hongkong &amp; Shanghai Banking Corporation.</p>
<b>Qualifications</b>	Chartered Accountants.
<b>Other Directorships</b>	1 (One)
<b>Membership in the Committees of other Public companies</b>	NIL
<b>Shareholding in the Company</b>	NIL
<b>2. Name of the Director:</b>	Mr. Avinash Saraf
<b>Age:</b>	25 years
<b>Nature of expertise</b>	<p>Mr. Avinash Saraf, son of Mr. G.K. Saraf, aged 24 years, has done B Sc (Engineering Physics) and also holds a Management Degree from Cornell University, USA. After working as a Teaching Assistant (from August 2005 to May 2006) in the School of Applied and Engineering Physics, Cornell University, USA and as an IT Consultant with Mindspring Inc., New Jersey, USA, he joined GEE as an Executive in March 2007. After the resignation of Mr. G.K. Saraf from GEE's board, he has been appointed as an Additional Director of the Company.</p>
<b>Qualifications</b>	B. Sc (Engineering Physics)
<b>Other Directorships</b>	1 (One)
<b>Membership in the Committees of other Public companies</b>	NIL
<b>Shareholding in the Company</b>	NIL

**3. Name of the Director:**

Mr. M. P. Dhanuka

**Age:**

69 years

**Nature of expertise**

Mr. M P Dhanuka aged 66 years is M.Sc. in chemistry from Bombay University and a Metallurgist having experience of more than 35 years in reputed MNC of welding industries. He has been trained in Oerlikon Welding Ltd at Switzerland. He heads the technical department of the Company. He was recipient of I.T. Mirchandani award for best Technical Research paper presented during 1993, IIW seminar at Chennai.

He was invited for delivering prestigious Keith Heartley memorial lecture at National Welding seminar held at Jamshedpur in the year 1994.

He was awarded with K.C.P award for the best Tech. Paper presented at International Welding conference, held at Delhi in 1999.

He was chairman of Mumbai Branch of IIW for 6 years & Vice President of Central Council of IIW for 4 years. Having 35 years of rich experience Mr. Dhanuka joined GEE Limited, Thane in the year 2002, as Executive Director (Marketing). He is looking after entire operation of Manufacturing & Marketing of GEE Limited, Thane.

**Qualifications**

M.Sc. in chemistry

**Other Directorships**

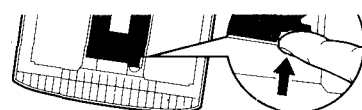
NIL

**Membership in the Committees of other Public companies**

NIL

**Shareholding in the Company**

NIL





# GEE Limited

Regd. Office: Plot E-1, Road No. 7, Wagle Industrial Estate, Thane-400 604 (West)

## Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 48<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Hotel Satkar Residency, Pokhran Road No. 1, Thane (West)-400 606. India on Wednesday, the 30<sup>th</sup> September, 2009 at 11.00 a.m.

.....  
Full name of the Shareholder  
(In block Capital) Signature

Folio No. .... /DP ID No\* ..... & Client ID No.\* ..... \*Applicable of members holding shares in electronic form.

.....  
Full name of Proxy  
(In block capitals) Signature

Note: Shareholders / Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting



# GEE Limited

Regd. Office: Plot E-1, Road No. 7, Wagle Industrial Estate, Thane-400 604 (West)

## Proxy

I/We ..... of

..... In the district of ..... being a Member / Members of the above named Company,

Hereby appoint ..... of ..... in the district of

..... or failing him ..... of ..... in the district of

..... as my / our Proxy to attend and vote for me/us and on my our behalf at the 48<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Hotel Satkar Residency, Pokhran Road No. 1, Thane (West)-400 606 India on Wednesday, the 30<sup>th</sup> September, 2009 at 11.00 a. m. and at any adjourned thereof.

Signed this ..... day of ..... 2009

Folio No.: ..... / DP ID No\* ..... & Client ID No.\* .....

\*Applicable of members holding shares in electronic form.

No. of Shares .....

Signature .....

Affix  
- Re 1/-  
Revenue  
Stamp  
Only

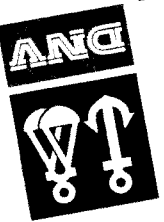
This form is to be used @ in favour of of the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit @ against

@ Strike out whichever is not desired

Note: (i) The Proxy must be returned so as to reach the Registered Office of the Company at Plot E-1, Road No. 7, Wagle Industrial Estate, Thane-400 604 (West), not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

(ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.





**DET NORSKE VERITAS  
MANAGEMENT SYSTEM CERTIFICATE**

Certificate No. 1672-2007-AQ-IND-RVA Rev. 01

This is to certify that

**GEE LIMITED**

at  
 has been found to conform to the Quality Management System Standard:  
**ISO 9001:2000**

This certificate is valid concerning all activities related to:

**DESIGN, DEVELOPMENT, MANUFACTURING, MARKETING AND  
 SUPPLY OF WELDING CONSUMABLES  
 IMPORT AND SUPPLY OF SAW, MIG/MAG AND TIG WIRES  
 MANUFACTURING AND SUPPLY OF WELDING CONSUMABLES**

Place and date:  
**Chennai, 25 May 2009**  
 for the Accredited Unit:  
 DET NORSKE VERITAS CERTIFICATION B.V.  
 THE NETHERLANDS

**Bhupalam Ayy**  
 Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.  
 DET NORSKE VERITAS CERTIFICATION B.V. Zwolleweg 1, 2004 LB Breda, The Netherlands. TEL: +31 10 2922 681 - www.dnv.com

Initial Certification date:  
**31 December 2003**

This Certificate is valid until:  
**31 December 2009**

The audit has been performed under the  
 supervision of:  
**Rajeev Mandrekar**  
 Lead Auditor



**GEE Limited**  
*The Power of Welding*

[www.geelimited.com](http://www.geelimited.com)