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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RC	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

36th Annual Report

Year ended 31st March,

1997

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GEE

GENERAL ELECTRODES AND EQUIPMENT LIMITED



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GENERAL ELECTRODES AND EQUIPMENT LIMITED

BOARD OF DIRECTORS : SHRI R. K. AGARWAL, (Chairman)
SHRI S. L. AGARWAL, (Managing Director)
SHRI S. M. AGARWAL, (Wholetime Director)
SHRI G. K. SARAF
SHRI SATYEN DAGA

BANKERS : THE THANE JANATA
SAHAKARI BANK LTD.
THANE

AUDITORS : MESSRS. FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

**REGISTERED OFFICE
& WORKS** PLOT NO. E - 1, ROAD NO. 7
WAGLE INDUSTRIAL ESTATE
THANE - 400 604.

GEE**GENERAL ELECTRODES AND EQUIPMENT LIMITED***Registered Office :*

Plot No. E-1, Road No. 7, Wagle Industrial Estate,
Thane - 400 604

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GENERAL ELECTRODES AND EQUIPMENT LIMITED, will be held on Monday the 29th day of September, 1997 at 4.00 p.m. at the Registered Office of the Company at Plot No. E-1, Road No. 7, Wagle Industrial Estate, Thane - 400 604, to transact the following business :

1. To receive, approve and adopt the Balance Sheet as at (31st March, 1997) and the Profit and Loss Account for the year ended on 31st March, 1997 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. S. L. Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Satyen Daga, who was appointed as an Additional Director of the Company by the Board of Directors on 31st May, 1997, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

5. To consider and, if thought fit to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION :-

"RESOLVED THAT Mr. R. K. Agarwal, who was appointed as a Director of the Company by the Board of Directors in the casual vacancy by the resignation of Mr. D. A. Shah, on 19th August, 1996, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION :-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the Act as amended upto date, consent of the Company be and is hereby accorded to the appointment of and the remuneration and perquisites being paid or granted to Mr. Shankar Lal Agarwal (Mr. S. L. Agarwal) as an Executive Director of the Company for a period of three years with effect from 20th August, 1996, on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Mr. S. L. Agarwal, a copy whereof initialled by the Chairman of the Meeting, for the purpose of identification, has been placed before this Meeting which Agreement is hereby specifically approved with liberty to the Board of Directors to alter or vary the terms and conditions of the appointment and /or Agreement including

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the terms of remuneration as set out in the Agreement, at any time(s) and from time to time and in such manner as may be deemed fit by the Board in its absolute discretion and agreed to by Mr. S. L. Agarwal, provided that the remuneration and perquisites payable to Mr. S. L. Agarwal shall be within the limits set out in Schedule XIII to the Companies Act, 1956, or any amendments thereto or any equivalent statutory re-enactment(s) thereof ;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of Mr. S. L. Agarwal's office as Executive Director, the remuneration and perquisites set out in the aforesaid Agreement be paid or granted to Mr. S. L. Agarwal as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling and the perquisites as provided in Section II of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof ;

RESOLVED FURTHER THAT, for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company".

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION :-

"RESOLVED THAT pursuant the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the Act as amended upto date, consent of the Company be and is hereby accorded to the appointment of and the remuneration and perquisites being paid or granted to Mr. Sanwar Mal Agarwal (Mr. S. M. Agarwal) as a Wholetime Director of the Company for a period of three years with effect from 1st December, 1996, on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Mr. S. M. Agarwal, a copy whereof initialled by the Chairman of the Meeting, for the purpose of identification, has been placed before this Meeting, which Agreement is hereby specifically approved with liberty to the Board of Directors to alter or vary the terms and conditions of the appointment and /or Agreement including the terms of remuneration as set out in the Agreement, at any time(s) and from time to time, and in such manner as may be deemed fit by the Board in its absolute discretion and agreed to by Mr. S. M. Agarwal, provided that the remuneration and perquisites payable to Mr. S. M. Agarwal shall be within the there to or any equivalent statutory re-enactment(s) thereof ;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of Mr. S. M. Agarwal's office as Wholetime Director, the remuneration and perquisites set out in the aforesaid Agreement be paid or granted to Mr. S. M. Agarwal as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling and the perquisites as provided in Section II of Part II of Schedule XIII to the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof ;

RESOLVED FURTHER THAT, for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute deem necessary, expedient, usual and proper in the best interest of the Company".

Thane
Dated : 16th August, 1997

By order of the Board
S. M. Agarwal
Wholetime Director

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of himself. A proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. In respect of Item Nos. 4 to 7 of the Notice, an Explanatory Statement as required by Section 173 of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 1997 to Monday, 29th September, 1997 (both days inclusive).
4. Members are requested to notify to the Company any Change in their address, immediately.
5. Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed Dividend upto the Financial year ended 31st March, 1993, have been transferred to the General Revenue Account of the Central Government Shareholders, who have not encashed the Dividend Warrants for the said period, are requested to claim the amount from the Registrar of Companies, Maharashtra State, Mumbai.
6. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Members desiring any information as regards to the Accounts are requested to write to the Registered Office at least 15 days before the date of the meeting as to enable the management to keep the information ready.

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956**Item No. 4**

Mr. Satyen Daga was appointed as an Additional Director by the Board of Directors at its Meeting held on 31st May, 1997.

Pursuant to Section 260 of the Companies Act, 1956, Mr. Satyen Daga will hold office only upto the date of the 36th Annual General Meeting of the Company. The Company has received a Notice in writing along with a deposit of Rs. 500/- from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Satyen Daga as a candidate for the office of Director.

The Board of Directors consider that having regard to his varied experience and abilities, the appointment of Mr. Daga as a Director of the Company would prove beneficial to the Company. The Board, therefore, recommends the appointment of Mr. Satyen Daga as a Director of the Company.

Mr. Satyen Daga is interested in the Resolution at Item No. 4 of the accompanying Notice since it relates to his own appointment.



GENERAL ELECTRODES AND EQUIPMENT LIMITED

Item No. 5 :

At the Meeting of the Board of Directors held on 19th August, 1996, Mr. R. K. Agarwal was appointed as a Director in the casual vacancy caused by the resignation of Mr. D. A. Shah, the then Managing Director.

Pursuant to Section 262 (2) of the Companies Act, 1956, Mr. R. K. Agarwal will hold office only upto the date upto which Mr. D. A. Shah would have held office if it had not been vacated. Mr. D. A. Shah, being Managing Director was not subject to retirement by rotation and he would have held office only upto the date of the 36th Annual General Meeting of the Company.

The Company has received a Notice in writing along with a deposit of Rs. 500/- from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. R. K. Agarwal as a candidate for the office of Director.

The Board of Directors consider that having regard to his varied experience and abilities, the appointment of Mr. R. K. Agarwal as Director of the Company would prove beneficial to the Company. The Board, therefore, recommends the appointment of Mr. R. K. Agarwal as a Director of the Company.

Mr. R. K. Agarwal is interested in the Resolution at Item No. 5 of the accompanying Notice since it relates to his own appointment, and Mr. S. L. Agarwal and Mr. S. M. Agarwal, being sons of Mr. R. K. Agarwal are also interested in the Resolution at Item No. 5 of the accompanying Notice.

Item No. 6 :

Mr. S. L. Agarwal was appointed as an Executive Director of the Company by the Board of Directors at its Meeting held on 19th August, 1996 for a period of 3 years with effect from 20th August, 1996. The remuneration and perquisites of Mr. S. L. Agarwal are set out in the Agreement referred to in the Resolution at Item No. 6 of the accompanying Notice and are subject to the approval of the Shareholders of the Company.

The Material terms of appointment of Mr. S. L. Agarwal as an Executive Director, as set out in the said Agreement, are as follows :

1. The Agreement is for a period of three years from the date of appointment i.e. 20th August, 1996. Mr. S. L. Agarwal is, however, liable to retire by rotation, and will cease to hold the office of Executive Director if he is not re-elected at the Annual General Meeting, at which he retires by rotation.
2. Mr. S. L. Agarwal shall be entitled to the following remuneration and benefits/perquisites from the Company. The Board of Directors has been authorised to vary the terms of the remuneration and perquisites provided it is agreed to by Mr. S. L. Agarwal and is within the limits specified in Schedule XIII of the Companies Act, 1956.

1. Salary	: Rs. 15,000/- in the first year Rs. 16,000/- in the second year, and Rs. 17,000/- in the third year.	} per month
2. House Rent Allowance	: 25% of the salary or as applicable to other Senior Executives and as revised from time to time.	
3. PF, FPF Contribution	: @ 10% of the salary.	

GEE**GENERAL ELECTRODES AND EQUIPMENT LIMITED**

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| 4. Leave Travel Assistance | : | 1 Months salary for 1 year's service. |
| 5. Leave | : | As per Company's Rules. |
| 6. Gratuity & Superannuation Scheme | : | As per Company's rules applicable to the Senior Executives of the Company. |
| 7. Other Perquisites | : | Car, Medical, Telephone etc. as per Company's Rules. |

In case of absence or inadequacy of profits in any year, the aforesaid remuneration including perquisites, benefits and amenities shall be paid as minimum remuneration.

The Executive Director shall be entitled to be paid and to be reimbursed by the Company All costs, charges and expenses that may have been incurred or may be incurred by him for the purposes of or on behalf of the Company.

A copy of the draft Agreement to be entered into with Mr. S. L. Agarwal is available for the inspection of Members at the Registered Office of the Company on all working days between 11.00 a.m. to 4.00 p.m.

Mr. S. L. Agarwal is interested in the Resolution at Item No. 6 of the accompanying Notice, since it relates to his own appointment. Mr. R. K. Agarwal being the father and Mr. S. M. Agarwal being the brother of Mr. S. L. Agarwal, are also interested in the Resolution at Item No. 6.

The Explanatory Statement together with the Notice may be treated as an abstract of the terms of Contract and Memorandum of Concern or Interest required to be sent to the Members under Section 302 of the Companies Act, 1956.

Item No. 7

Mr. S. M. Agarwal was appointed as a Director of the Company on 19th August, 1996, in the casual vacancy caused by the resignation of Mr. N. G. Sheth.

He was appointed as Wholtime Director of the Company by the Board of Directors at its Meeting held on 30th November, 1996, for a period of three years with effect from 1st December, 1996.

The remuneration and perquisites of Mr. S. L. Agarwal are set out in the Agreement referred to in the Resolution at Item No. 7 of the accompanying Notice and are subject to the approval of the Shareholders of the Company.

The Material terms of appointment of Mr. S. M. Agarwal as a Wholtime Director, as set out in the said Agreement, are as follows :

1. The Agreement is for a period of three years from the date of appointment i.e. 1st December, 1996. Mr. S. M. Agarwal is however, liable to retire by rotation, and will cease to hold the office of Wholtime Director if he is not re-elected at the Annual General Meeting at which he retires by rotation.
2. Mr. S. M. Agarwal shall be entitled to the following remuneration and benefits/perquisites from the Company. The Board of Directors has been authorised to vary the terms of the remuneration and perquisites provided it is agreed to by Mr. S. M. Agarwal and is within the limits specified in Schedule XIII of the Companies Act, 1956.

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| 1. Salary | : | Rs. 12,000/- in the first year
Rs. 13,000/- in the second year, and
Rs. 14,000/- in the third year. | } per month |
| 2. House Rent Allowance | : | 25% of the salary or as applicable of other Senior Executives and as revised from time to time. | |
| 3. PF, FPF Contribution | : | @ 10% of the salary. | |
| 4. Leave Travel Assistance | : | 1 Months salary for 1 year's service. | |
| 5. Leave | : | As per Company's Rules. | |
| 6. Gratuity & Superannuation Scheme | : | As per Company's Rules applicable to the Senior Executive of the Company. | |
| 7. Other Perquisites | : | Car, Medical, Telephone etc. as per Company's Rules. | |

In case of absence or inadequacy of profits in any year, the aforesaid remuneration including perquisites, benefits and amenities shall be paid as minimum remuneration.

The Wholtime Director shall be entitled to be paid reimbursed by the Company all costs, charges and expenses that may have been incurred or may be incurred by him for the prupose of or on behalf of the Company.

A copy of the draft Agreement to be entered into Mr. S. M. Agarwal is available for the inspection of Members at the Registered Office of the Company on all working days between 11.00 a.m to 4.00 p.m.

Mr. S. M. Agarwal is interested in the Resolution at Item No. 7 of the accompanying Notice, since it relates to his own appointment. Mr. R. K. Agarwal being the father and Mr. S. L. Agarwal being the brother of Mr. S. M. Agawal, are also interested in the Resolution at Item No. 7.

The Explanatory Statement together with the Notice may be treated as an abstract of the terms of Contract and Memorandum of Concern or Interest required to be sent to the Members under Section 302 of the Companies Act, 1956.

Thane
Dated : 16th August, 1997

By order of the Board
S. M. Agarwal
Wholtime Director



GENERAL ELECTRODES AND EQUIPMENT LIMITED

DIRECTORS' REPORT
 TO THE SHAREHOLDERS

Your Directors have pleasure in submitting their 36th Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS :

		1-4-1996 TO 31-3-1997 Rupees		1-4-1995 TO 31-3-1996 Rupees
Profit before providing Depreciation and taxation		10,09,869		31,87,851
Less : Provision for Depreciation	6,41,967		5,61,284	
Provision for Taxation	1,00,000	7,41,967	14,00,000	19,61,284
		<u>2,67,902</u>		<u>12,26,567</u>
To which is added :				
Balance brought forward		13,35,144		9,19,505
		<u>16,03,046</u>		<u>21,46,072</u>
Leaving Surplus of which is appropriated as under :				
General Reserve		—	1,00,000	
Proposed Dividend		—	7,10,928	8,10,928
		<u>16,03,046</u>		<u>13,35,144</u>

DIVIDEND :

In the absence of adequate profit, the Board of Directors has not recommended payment of Dividend for the year under review.

OPERATIONS :

The severe resource crunch, depressed Capital Market conditions and the fluid political situation have resulted in a stagnation in the economic growth of the Country. The slowdown in the economy and the depressed market conditions during the year have taken their toll on the Welding Industry too.

In spite of the liquidity crunch and stagnant purchasing power, the sales of your Company have increased from Rs. 4,06,78,793/- in 1995-96 to Rs. 5,54,21,793/- in 1996-97, registering an increase of 36%. Though the sales of the Company have shown an increase, the same has not been reflected in the profit after tax.

This is mainly due to the increase in the cost of production. The cost of production has increased due to rise in prices of various essential raw materials and the cost of new improved packaging by shrink wrapping machine recently introduced meeting the international standards.

The Company has maintained strict quality control on its products at every stage of the manufacturing process.