

39th Annual Report

Year ended 31st March
2000

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GEE

GEE LIMITED

FORMERLY GENERAL ELECTRODES AND EQUIPMENT LIMITED

BOARD OF DIRECTORS: SHRI. R.K. AGARWAL (Chairman)
SHRI. S.L. AGARWAL (Executive 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.



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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GEE LIMITED will be held on Tuesday the 28th day of September, 2000 at 10.30 a. m. at the Registered Office of the Company at Plot No E-1, Road No.7, Wagle Industrial Estate, Thane-400604, to transact the following business :

1. To receive, approve and adopt the Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on 31st March, 2000 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 a Director in the place of Mr. S.M. Agarwal who retires by rotation and being eligible offers himself for re-appointment.
4. 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

5. 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. Sanwar Mal Agarwal (Mr. S.M. Agarwal) as a Wholetime Director of the Company for a period of five yers with effect from 1st December, 1999, 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 initialed 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 limits set out in Schedule XIII to the Companies Act, 1956, or any amendments thereto or any equivalent statutory re-enactments(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 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 authorized 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".

By Order of the Board

Place: Thane
Dated: 31st August, 2000

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 No. 5 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 27th September, 2000 to 28th September, 2000 (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, as it was in force prior to the commencement of the Companies (Amendment) Act, 1999, all Unclaimed Dividends upto the financial year ended 31st March, 1994, have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend Warrants/cheques for the said period, are requested to claim the amount from the Registrar of Companies, Maharashtra State, Mumbai.
6. Pursuant to the provisions of Section 205 A (5) of the Companies Act, 1956, as amended with effect from 31st October, 1998, dividends for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of the Section, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the Act. According to the provisions of the Act as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
7. Under the provisions of the Companies Act, 1956 as amended with effect from 31st October, 1998 shareholders may file Nomination forms in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B.
8. Members desiring any information regarding the Accounts are requested to write to the Registered Office at least 15 days before the date of the Meeting so as to enable the Management to keep the information ready.

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.**Item No 5.**

Mr. S.M. Agarwal was appointed as a Wholetime Director of the Company by the Board of Directors at its Meeting held on 30th November, 1996 for a period of 3 years with effect from 1st December, 1996. His appointment and remuneration were approved by the Company at the 36th Annual General Meeting held on 29th September, 1997.



At the Board Meeting held on 30th November, 1999 Mr. S.M. Agarwal was appointed as a Wholetime Director of the Company for a period of 5 years with effect from 1st December 1999. The remuneration and perquisites of Mr. S.M. Agarwal are set out in the Agreement referred to in the resolution at Item No. 5 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 Wholetime Director, as set out in the said Agreement, are as follows:-

1. The Agreement is for a period of five years from the date of appointment i.e. 1st December, 1999. Mr. S.M. Agarwal is however liable to retire by rotation, and will cease to hold the office of Wholetime 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. 16,000/-per month |
| 2. House Rent Allowance | : | as applicable to Senior Executives of the Company (at present 25% of the salary) and as revised from time. |
| 3. 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. |
| 4. Leave Travel Assistance | : | One Month's salary for one year's service. |
| 5. Leave | : | As per Company's Rules applicable to the Senior Executives of the Company |
| 6. Gratuity & Superannuation Scheme | : | As per Company's rules applicable to the Senior Executives of the Company. |
| 7. Other Perquisites | : | Car, Reibursament of Medical Expenses, Telephone etc. as per Company's Rules. |

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

The Wholetime 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 purpose of or on behalf of the Company.

By Order of the Board

Place : Thane
Dated : 31st August, 2000

S.M. Agarwal
Wholetime Director

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Your Directors expect that the performance of the Company will show an improvement from the second half of the current year.

DIRECTORS :

Subject to the approval of the share holders Mr. S.L. Agarwal whose term of appointment as an Executive Director of the Company ends on 19th August, 1999 has been appointed as an Executive Director for a further period of 5 year with effect from 20th August, 1999. A resolution for approval of his appointment has been included in the Notice convening the 38th Annual General Meeting.

The Board of Directors considers that having regard to his varied experience and abilities the appointment of Mr. S.L. AGARWAL as an Executive Director of the Company would prove beneficial to the Company. The Board there fore recommends his appointment as an Executive Director.

Mr. R.K. Agarwal and Mr. Satyan Daga retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and out go are annexed hereto and form a part of this Report.

FIXED DEPOSITS

During the year under review the Company had repaid all the outstanding Fixed Deposits. As on 31st March, 1999 there were no Fixed Deposits with the Company.

DONATIONS

During the year under review the Company has contributed in the aggregate a sum of Rs. 73,300/- towards donations.

CASH FLOW STATEMENT :

Cash Flow Statement pursuant to Clause 32 of the Listing Agreement is annexed hereto.

PARTICULARS OF EMPLOYEES

There are no employees drawing salary exceeding the limits specified under Section 217 (2A) of the Companies Act, 1956.

EMPLOYEE RELATIONS

Employee relations were cordial throughout the year. Your Directors record their appreciation for the contributions made by the employees at all levels.

Y2K COMPLIANCE

Brief status on Y2K preparedness level is as follows

- i) The Company has switched over to new information system which is Y2K compliant.
- ii) The Company does not visualise any other additional / Major adverse effect on its operation and systems on account of external failures. In view of the above there are no contingency plans of the Company for the financial year 1999-2000.

AUDITORS

M/s Ford, Rhodes, Parks & Company, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. For and on behalf of the Board

S.L. Agarwal
Executive Director

Place: Thane
Dated 31st August, 2000

S.M. Agarwal
Wholtime Director

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Directors have pleasure in submitting their 39th Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2000:

FINANCIAL RESULTS :

Profit before providing depreciation and taxation

Less: Provision for Depreciation

Provision for Taxation

To which is added :

Balance brought forward

Transfer from Investment

Allowance Reserve

Leaving surplus of which is appropriated as under

General Reserve

Proposed Dividend

Rupees	1.4.1999 to 31.3.2000 Rupees	Rupees	1.4.1998 to 31.3.1999 Rupees
	7,06,351		2,00,500
10,33,576	10,33,576	9,55,812	9,55,812
	(-)3,27,225		(-)7,55,312
	12,42,901		9,72,338
	9,15,676		2,17,026
	9,15,676		10,25,875
	-		12,42,901
	-		-
	9,15,676		12,42,901

DIVIDEND :

In view of the loss incurred during the year, the Board of Directors regrets its inability to recommend dividend for the year under review.

OPERATIONS :

The Company has made a loss of Rs. 3,27,225 during the year under review as compared to a loss of Rs. 7,55,312 during the previous year. The Sales of the Company have increased from Rs. 5,84,29,331 in the previous year to Rs. 6,24,88,789 in the year under review.

Though the turnover of the Company has increased and the loss incurred has decreased, the performance of the Company during the year under review has not been upto expectation mainly due to the depressed market conditions. The sales have not picked up to the desired level. The cost of transportation and the cost of labour and interest costs have gone up. The recovery of debts due to the Company has been poor. Though the Company has initiated a time bound programme to recover these debts it has not yielded much result.

The Company has increased its expenditure on marketing & sales, lowered its prices and also allowed discounts to the customers to withstand the stiff competition in the market. The Company has also got approvals from a number of large institutions and some difficult and core sectors which can give a boost to the company's business.

A copy of the draft Agreement to be entered into with 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. 5 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. Agarwal, are also interested in the Resolution at item No. 5.

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

By Order of the Board

Place : Thane

Date : 31st August, 2000

S.M. Agarwal
Wholtime Director

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STATEMENT UNDER SECTION 217 (1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000.

A. Conservation of energy:

Not given as the Company is not covered under the list of specified industries. However, required conservation measures are already taken to ensure power consumption to the extent necessary, switching off power during the idle time etc.

B. Form of disclosure of particulars with respect to Absorption of Technology, Research and Development (R & D):**FORM B****Research and Development:**

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|--|--|
| 1. Specific areas in which R & D carried out by the Company | : Improvement/Technical upgradation of existing products and Development and research in use of alternate raw materials with a view to improve quality and to minimise imports and to effect cost reduction. |
| 2. Benefits derived as a result of above R & D | : Improvement in product quality for better performance and --cost reductions in certain electrodes. |
| 3. Future plan of action | : Investment in Research & Development Laboratory and purchase of essential equipments to up - date research facilities, would be made whenever funds permit. |
| 4. Expenditure on R & D | |
| a) Capital | --- |
| b) Recurring | --- |
| c) Total | --- |
| d) Total R & D Expenditure as a percentage of total turnover | --- |

Technology absorption, adaptation and innovation:

- | | |
|--|--|
| 1. Efforts in brief made towards technology absorption, adaption, and innovation | : Continuous efforts are made to update existing technical Know-how by conducting trials to develop new electrodes. |
| 2. Benefits derived as a result of the above efforts, e.g. product development, import substitution etc. | : The quality of the electrodes has been significantly improved. Indigenous raw materials are being used in place of imported ones, wherever possible. |
| 3. In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year), following information may be furnished. | : Not applicable. |
| a) Technology imported. | |
| b) Year of import. | |
| c) Has technology been fully absorbed? | |
| d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. | |

C. Foreign exchange earning and outgo:

- | | |
|---|---|
| e) Activities relating to exports, initiatives taken to increase exports; development of new exports for products and services; and export plans. | : The Company is making every effort to increase exports of its products. |
| f) Total foreign exchange used and | : During the year, the foreign exchange earned was Rs.17,85,239/- and the foreign exchange outgo was Rs.3,20,319/- details of which are set out at items No. 10 & 11 of Notes to Accounts attached.
For and on behalf of the Board |

S.L. Agarwal
Executive Director

Place : Thane
Dated: 31st August, 2000

S.M. Agarwal
Wholtime Director.