

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

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF GEE LIMITED will be held on Tuesday the 30th day of September, 2003 at 10.00 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 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the year ended on 31st March, 2003 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 Mr. M.P. Dhanuka who was appointed as an Additional Director of the Company by the Board of Directors on 16<sup>th</sup> January, 2002, 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.Madhusudan Pralhad Dhanuka (Mr. M.P. Dhanuka) as Executive Director-Marketing of the Company for a period of five years with effect from 16<sup>th</sup> January, 2002, on the following terms and conditions.

- |                            |   |
|----------------------------|---|
| 1. Basic Salary            | Rs.35,000/- per month   |
| 2. Utility Allowance       | Rs.20,000/- per month   |
| 3. House Rent Allowance    | Rs.20,000/- per month   |
| 4. Medical Reimbursement   | Rs. 40,000/- per annum  |
| 5. Leave Travel Assistance | Rs.50,000/- per annum   |
| 6. Provident Fund          | as applicable to Senior Executives of the Company<br>(at present @12% of the salary) and as revised from time to time |
| 7. Gratuity                | As per Company's rules applicable to the Senior Executives<br>of the Company.   |

8. Other Perquisites      Company maintained car, with drivers salary reimbursed at actuals subject to a maximum of Rs. 3500 per month. Mobile Phone & phone facility at residence with reimbursement of charges for official use.

RESOLVED FURTHER THAT the Board of Directors shall be at liberty to alter or vary the terms and conditions of the appointment including the terms of remuneration as set out above 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. M.P. Dhanuka, provided that the remuneration and perquisites payable to Mr. M.P. Dhanuka 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. M.P. Dhanuka's office as Executive Director Marketing, the remuneration and perquisites set out above be paid or granted to Mr. M.P. Dhanuka 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 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”..

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

Resolved that Mr. Sujit Sen who was appointed as a Director of the Company by the Board of Directors in the casual vacancy caused by the resignation of Mr. Satyen Daga, on 7<sup>th</sup> March, 2002, 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.

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

Resolved that in supercession of the Resolution passed at the 22<sup>nd</sup> Annual General Meeting of the Company held on 27<sup>th</sup> December 1983 and pursuant to Section 293 (1) (d) of the Companies Act, 1956, and Article 63 of the Articles of Association of the Company and all other enabling provisions (if any) the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will not exceed at any time Rs. 5 crores (Rupees five Crores Only) in the aggregate.

**By Order of the Board**

**Place: Thane**  
**Date: 31/08/2003**

**S.M. Agarwal**  
**Wholtime 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 Items Nos. 5,6, 7and 8 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 26th September, 2002 to 27<sup>th</sup> September, 2002 (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 205A (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 atleast 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. M.P. Dhanuka was appointed as an Additional Director by the Board of Directors at its meeting held on 16<sup>th</sup> January 2002.

Pursuant to Section 260 of the Companies Act, 1956 Mr. M.P. Dhanuka will hold office only upto the date of the 41<sup>st</sup> Annual General Meeting of the Company. The Company has received a notice in writing along with a deposit of Rupees of 500/- from a member under section 257 of the Companies Act ,1956, signifying his intention to propose Mr. M. P. Dhanuka 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. M.P. Dhanuka as a Director of the Company would prove beneficial to the Company. The Board therefore recommends the appointment of Mr. M.P.Dhanuka as a Director of the Company.

No Director of the company except Mr. M.P. Dhanuka is interested in the resolution at item no. 5 of the accompanying Notice.

**Item No.6.**

Mr. M.P. Dhanuka was appointed as an Executive Director-Marketing of the Company by the Board of Directors at its Meeting held on 16th January, 2002 for a period of 5 years with effect from 16<sup>th</sup> January, 2002.

The remuneration and perquisites of Mr.M.P. Dhanuka are set out 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. M.P. Dhanuka as Executive Director-Marketing, as set out in the aforesaid resolution are as follows:-

1. The appointment is for a period of five years from the date of appointment i.e. 16th January, 2002. Mr. M.P. Dhanuka is however liable to retire by rotation, and will cease to hold the office of Executive Director-Marketing if he is not re-elected at the Annual General Meeting at which he retires by rotation.
2. Mr. M.P. Dhanuka 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. M.P. Dhanuka and is within the limits specified in Schedule XIII of the Companies Act, 1956.

1.	Basic Salary	Rs.35,000/- per month
2.	Utility Allowance	Rs.20,000/- per month
3.	House Rent Allowance	Rs.20,000/- per month
4.	Medical Reimbursement	Rs. 40,000/- per annum
5.	Leave Travel Assistance	Rs.50,000/- per annum
6.	Provident Fund	as applicable to Senior Executives of the Company (at present @ 12% of the salary) and as revised from time to time.
7.	Gratuity	as per Company's rules applicable to the Senior Executives of the Company.
8.	Other Perquisites	Company maintained car, with drivers salary reimbursed at actuals subject to a maximum of Rs. 3500 per month. Mobile Phone & phone facility at residence with reimbursement of charges for official use.

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 – Marketing 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.

No Director of the company except Mr. M.P. Dhanuka is interested in the Resolution at item No. 6 of the accompanying Notice.

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.**

At the meeting of the Board of Directors held on 7<sup>th</sup> March 2002, Mr. Sujit Sen was appointed as a Director in the casual vacancy caused by the resignation of Mr. Satyen Daga.

Pursuant to Section 262 (2) of the Companies Act, 1956 Mr. Sujit Sen will hold office only upto the date upto which Mr. Satyen Daga would have held office if it had not been vacated Mr. Satyen Daga was liable to retire by rotation at the 41<sup>st</sup> Annual General Meeting of the Company. The Company has received a notice in writing along with a deposit of Rupees of 500/- from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Sujit Sen 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. Sujit Sen as a Director of the Company would prove beneficial to the Company. The Board therefore recommends the appointment of Mr. Sujit Sen as a Director of the Company.

No Director of the company except Mr. Sujit Sen is interested in the resolution at item no.7 of the accompanying Notice

### **Item No.8**

The Board of Directors are of the opinion that the company could reduce costs by shifting the factory to a convenient location at Turbhe, since land is available at a cheaper rate at Turbhe. Further Turbhe being in the non octroi zone, there would be saving of octroi duty also which would result in a reduction of price of the welding electrodes. For acquisition of new premises at Turbhe the Company would require to borrow upto Rs.2 crores. At the Annual General Meeting held on 27.12.1983 an ordinary resolution has been passed by the members pursuant to section 293 (1) (d) of the Companies, Act, 1956, authorizing the Board of Directors to borrow monies not exceeding at any time Rs. 3 crores in the aggregate. Taking into account the existing term loans of the company it would be necessary to authorise the board to borrow upto Rs. 5 Crores. Hence the Board recommends the passing of the resolution at item no.8 of the accompanying Notice to enable the Board Directors to borrow the necessary funds for acquisition of the premises at Turbhe.

None of the Directors is in any way concerned or interested in the resolution at item No. 8 of the accompanying notice.

**By Order of the Board**

**Place: Thane**  
**Date: 31/08/2003**

**S.M.Agarwal**  
**Wholtime Director**



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Directors have pleasure in submitting their 42nd Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2003:

**FINANCIAL RESULTS**

	Rupees	2002-2003 Rupees	Rupees	2001-2002 Rupees
Profit before providing depreciation & Taxation	1353296		11,92,601	
Less: Provision for Depreciation	853207		996397	
Provision for Taxation	50000		15050	
Provision for Deferred Tax	195440		---	
		254749		181154
To which is added :				
Balance brought forward		260135		78,981
Transfer from Investment Allowance Reserve		-		
		514884		260135
Leaving surplus of which is Appropriated as under				
General Reserve		-		-
Proposed Dividend		-		-
Balance carried forward to Balance sheet		514884		260135

**DIVIDEND**

In view of the inadequate profits earned during the year, the Board of Directors regrets its inability to recommend dividend for the year under review .

**OPERATIONS**

In spite of the adverse situation in the industry the Company has made a nominal profit of Rs.500180.00 (Rupees Five Lakhs One Hundred Eighty Only) during the year under review as compared to a profit of Rs. 196204.00(Rupees One lakh Ninty Six Thousand Two Hundred Four Only) during the previous year. The sales of the Company have increased from Rs. 68695285 .00 to Rs. 103429604.00.. This amounts to an increase in sales by about 50%.

With the measures taken during the year it is expected that the turnover of the company would increase by further 50% in the current year

The market environment continuous to be very competitive. Within the challanging competitive market conditions, your company , is expected to give good results in the current year.

Though your company was able to increase its sales volume, its margins were under pressure due to severe competition. Due to ongoing initiatives in the areas of cost reduction, increase in production, market development and quality control have enabled your company to maintain its competitive ability.

**Future Prospects:**

Our new marketing policy has given us substantive increase in sales and your company expects further increase in profitability also.

**DIRECTORS**

Mr.R.K.Agarwal and Mr. G.K.Saraf retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment

**DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors affirm :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 ended 31.03.03 and of the profit of the company for that period.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts on a going concern basis.

**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**

As on 31st March, 2003 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.22701.00 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.

**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  
Date: 31/08/2003

S.M. Agarwal  
Wholtime Director

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, 2003.

**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:**

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 reduction 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, adaptation, 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 years 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 therefore and future plans of action.
- C. Foreign exchange earning and outgo:
- a) 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.
  - b) Total foreign exchange used and earned : During the year, the foreign exchange earned was Rs.719368 and the foreign exchange outgo was 19775 details of which are set out at items No.15& 16 of Notes to Accounts attached.

For and on behalf of the Board

S.L. Agarwal  
Executive Director

Place: Thane  
Date: 31/08/2003

S.M. Agarwal  
Wholtime Director

