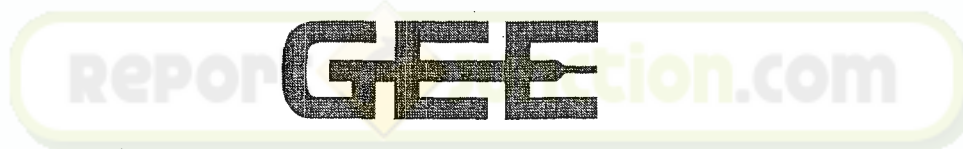
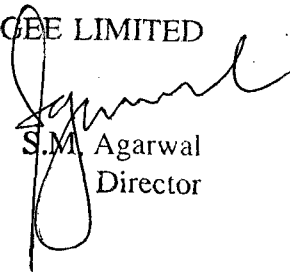


43rd Annual Report 2004



CERTIFIED TRUE COPY

For GEE LIMITED


S.M. Agarwal
Director

GEE LIMITED

Thane



BOARD OF DIRECTORS: Sri. R.K. Agarwal
Chairman

Sri. S. L. Agarwal
Executive Director

Sri. M.P.Dhanuka
Executive Director (Marketing)

Sri. S.M.Agarwal
Wholetime Director

Sri. G. K. Saraf
Director

Report  junction.com

Sri. Sujit Sen
Director

BANKERS: THE THANE JANTA
SAHAKARI BANK LTD.,
THANE

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

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

GEE**43rd Annual Report 2003-2004**

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of GEE LIMITED will be held on Thursday the 30th September, 2004 at 3.00 p.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 :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2004 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Shri Ram Kishan Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Govind Kumar Saraf who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors 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 Section 198,269,309,310,311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of Shri Shankar Lal Agarwal as Non-retiring Whole time director designated as Executive Director of the Company for a period of 5(five) years with effect from 20th August, 2004 upon the terms and conditions set out in the draft Agreement to be entered into between the Company and Shri Shankar Lal Agarwal, the main terms of which are set out in the explanatory statement to this notice, a draft whereof is placed before this meeting which Agreement is hereby specially sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment and for Agreement in such manner as may be agreed to between the Directors and Shri Shankar Lal Agarwal.

“RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Shri Sanwar Mal Agarwal as Non-retiring Whole Time Director of the company for a period of 5 (five) years with effect from 1st December, 2004 upon the terms and conditions set out in the draft Agreement to be entered into between the company and Shri Sanwar Mal Agarwal, the main terms of which are set out in the explanatory Statement to this notice, a draft whereof is placed before this meeting which Agreement is hereby specially sanctioned with liberty to the directors to alter and vary the terms and conditions of the said re-appointment and/ or Agreement in such manner as may be agreed to between the Directors and Shri Sanwar Mal Agarwal.”

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“RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution. “

**By Order of the Board
Sd/-**

**Place: Thane
Date: 31/07/2004**

**S.M.Agarwal
Wholetime Director**

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The Proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item No. 5 and 6 of the Notice as set out above, is annexed hereto.
3. The Register of Members and Share Transfer books of the Company shall remain closed from Thursday, 23rd day of September, 2004 to Thursday, 30th day of September, 2004 (both days inclusive)
4. Members are requested to notify immediately any change in their address.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

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

The Explanatory Statement for item Nos. 5 & 6 of the accompanying notice set out herein above is as under:

Item No.5 & 6.

The present terms of office of Shri Shankar Lal as Executive Director and Shri Sanwamal Agarwal as Whole Time Director will expire on 19th August, 2004 and 30th November, 2004 respectively. Subject to Shareholders approval, the Board of Directors at their meeting held on 31st July, 2004 have re-appointed the aforesaid Directors for a further period of 5 (five) years from the expiry date of their respective term on the remuneration determined by the Board of Directors.

The broad particulars of remuneration payable to and the terms of respective re-appointments of Shri Shankar Lal Agarwal and Shri Sanwar Mal Agarwal during the tenure are as under:

1. Period of Agreement : 5 Years.**2. Remuneration:**

(a)

Name and Designation	Salary (Rs. Per Month)	Perquisites & allowances (Rs. Per Month)
i) Shri Shankar Lal Agarwal Executive Director	41,000/-	41,000/-
ii) Shri Sanwar Mal Agarwal Whole Time Director	31,000/-	31,000/-

- (b) **PERQUISITES & ALLOWANCES :** (i) In addition to the salary and commission payable, the Whole Time Director (WTD) and Executive Director(s) EDs shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement; club fees and leave travel concession for themselves and their families; medical/accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Executive Director / or WTD. Such perquisites and allowances will be subject to a maximum of 100% of their respective annual salaries.

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- (c) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision of Car for use on Company's business and telephone at residence (including payment for local calls and long distance calls on telephone and use of Car for private purpose shall be billed by the Company to ED/WTD.
- (d) Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1956. Gratuity payable shall be half a month's salary for each completed year of service. Encashment of Leave at the end of the tenure will be permitted and will not be included in the computation of the ceiling on perquisites.
3. Minimum Remuneration : In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office by Shri Shankar Lal Agarwal and Shri Sanwamal Agarwal, the Company shall pay the remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of Part II of the amended Schedule XIII to the Companies Act, 1956 or within such ceiling as may be prescribed under Schedule XIII from time and/or under the Companies Act.
4. The terms and conditions of the said appointments and/or Agreements may be altered and varied from time to time by the Remuneration Committee and/or Board as they may, in their discretion, deem fit, within the maximum amount payable to ED/WTD in accordance with Schedule XIII to the ACT, or any amendments made hereafter in this regard.
5. The Draft Agreements may be terminated by either party giving the other party six months notice or the Company paying six months remuneration in lieu thereof.
6. If at any time the ED / WTD ceases to be the Director of the Company for any cause whatsoever, he / they shall cease to be the ED / WTD.
7. Shri, Shankar Lal Agarwal and Shri Sanwar Mal Agarwal, are relatives of each other. The re-appointment and remuneration payable to them does not fall within the purview of section 314 and 314 (1B) of the said Act, in terms of the provision of sub-section 3 of the said section- as well as the clarification / notification issued by the Special Resolution is not required.
8. The Draft Agreements between the Company and Shri Shankar Lal Agarwal and Shri Sanwar Mal Agarwal are available for inspection by the members of the Company at the Registered Office between 11.00 A.M and 1.00 PM on any working day of the Company.
9. Shri, Shankar Lal Agarwal and Shri Sanwar Mal Agarwal, are interested in the resolutions which pertain to their respective re-appointments and / or remuneration payable to each of them. Further, they may also be deemed to be interested in the resolution pertaining to the re-appointment of and / or remuneration payable to each other. Shri Ram Kishan Agarwal may also be deemed to be interested in the resolution payable to Shri Shankar Lal Agarwal and Shri Sanwar Mal Agarwal as they are related to each other. Save and except the above, none of the Directors of the Company is, in any way, concerned or interested in the resolutions.

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10. This may be treated as an abstract of the Draft Agreements between the Company and Shri, Shankar Lal Agarwal as Executive Director and Shri Sanwar Mal Agarwal as Whole Time Director pursuant to Section 302 of the Act.
11. The Board accordingly recommend the Resolutions set out in item No. 5 and 6 of the Notice for members approval by way of Ordinary Resolutions.

Regd. Office: Plot E-1, Road No. 7,
Wagle Industrial Estate, Thane- 400604

By Order of the Board



S.L. Agarwal
Executive Director

Place: Thane
Date: 31st July, 2004



GEE**43rd Annual Report 2003-2004****DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Directors have pleasure in submitting their 43rd Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2004:

FINANCIAL RESULTS

	2003-2004		2002-2003
Rupees	Rupees	Rupees	
Profit before providing depreciation & Taxation	2255095	13,53,296	
Less: Provision for Depreciation	901279	853207	
Provision for Taxation	100000	50000	
Provision for Deferred Tax	273160	195440	
	980656		254749
To which is added :			
Balance brought forward	514884		26,0135
Transfer from Investment Allowance Reserve	-		
	1495540		514884
	-		-
	-		-
Leaving surplus which is appropriated as under			
Transfer to General Reserve			
Balance carried forward to Balance sheet	1495540		514884

DIVIDEND

In view of the inadequate profits earned during the year, and also to support liquidity for the company 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.1353816 (Rupees Thirteen Lakhs Fifty Three Thousand Eight Hundred and Sixteen Only) during the year under review as compared to a profit of Rs. 500189 (Rupees Five Lakh One Hundred and Eighty Nine Only) during the previous year. The sales of the Company have increased from Rs. 1034 Lakhs to Rs. 1635 Lakhs This amounts to an increase in sales by 58%.

With the measures taken during the year it is expected that the turnover of the company would increase by further 50 % in the year 2004 - 05.

The market environment continuous to be very competitive. Within the challanging competitive market conditions your company is expected to give good results in the ensuing 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 your company has maintained 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

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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 31.03.04 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, 2004 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.1,00,000 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.

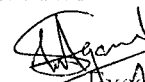
EMPLOYEE RELATIONS

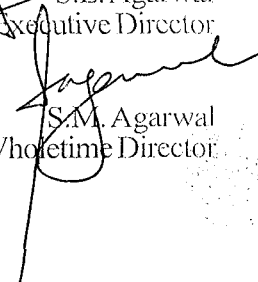
Employee relations were cordial throughout the year. Your Directors record their appreciation for the contributions made by the employees at all levels.

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


S.M. Agarwal
Wholetime Director

Place: Thane
Date:

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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, 2004.

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 _____