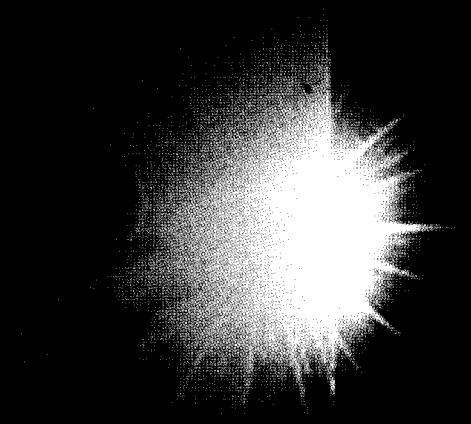


GEE

2005 44th Annual Report

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GEE LIMITED

Our Ethos

We are a team of dedicated people. We have our expertise in a variety of ever evolving commercial practices, science and technology in the domain of welding industry. Our ardent desire is to delight our customers beyond their expectations and heighten the shareholder value all the time.

We shall work as a closely-knit team. Each one of us will take enough initiative and interest to create new options and novel possibilities to enhance our effectiveness. We shall thus try to set new industry standards.

Built on bedrock of mutual respect, understanding, concern for each other and uninterrupted learning process we shall endeavour to keep employees happy besides all other publics who are impacted by our operations.

we dare to stand out
in a world of clones

44th Annual Report 2004-2005

GEE

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

Sri. Sujit Sen
Director

BANKERS :

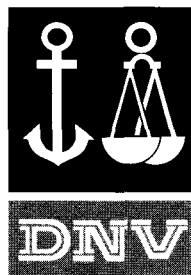
The Thane Janata Sahakari Bank Ltd.,
ICICI Bank Limited

AUDITORS :

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

REGISTERED OFFICE :

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



DET NORSKE VERITAS

MANAGEMENT SYSTEM CERTIFICATE

Certificate No. 00516-2004-AQ-DNV-RVA

*This is to certify that
the Quality Management System
of*

GEE LIMITED

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

Has been found to conform to the Quality Management System Standard:
ISO 9001:2000

This Certificate is valid for the following product or service ranges:

**DESIGN & DEVELOPMENT. MANUFACTURING & MARKETING OF WELDING CONSUMABLES
MARKETING OF TIG WIRES
IMPORT & SUPPLY OF WELDING CONSUMABLES MMAW, TIG WIRES, FCAW,
SAW WIRES & FLUX**

Original Certification date:
2003-12-31

This Certificate is valid until:
2006-12-31

Place and date:
Chennai, 2004-02-26

For the Accredited Unit:
**DNV CERTIFICATION B.V.,
THE NETHERLANDS**

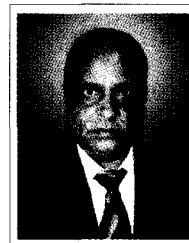
*Compliance to the standard in respect to the indicated scope
is verified by the DNV approved registered Team Leader:*

R. P. Shroff
Lead Auditor



Krishnakumar N.R.
Management Representative

Lack of fulfillment of conditions as set out in the Appendix may render this Certificate invalid.



Dear friends

As you can see from this Annual Report we have closed the books as on March 31, 2005, with encouraging results. We have made a turnover of Rs.25.05 crore, an increase of 53.21% on the previous year and profit of Rs.56.24 lacs, an increase of 313.36% on the previous year.

Let me compliment all of you for helping your company to achieve these dramatic results. I now extend my hand to reach out to all of you in the welding fraternity to say a big THANK YOU. Evidently I express this sentiment for the trust and confidence you have reposed in GEE brands of electrodes and services. Also for GEE enabled welding wires, equipment and systems sourced mainly from dominant MNCs abroad.

We have talked about the opportunity galore in the introductory note. But let us share with you our reading of the situation that this is closely accompanied by stiff competition. As the GEE experts know it is from the pioneers as well as from the medium and small-scale enterprises. Brushing aside this on-going situation GEE management has set a higher sales target for the current year. Analysts may say it is a bit ambitious but we think it can be accomplished. Permit us to expect your support and enlist your confidence in this endeavour.

Instead of resting on its laurels, GEE team is making an all-out effort on a continuous basis to build different strategic options. These are about serving the fabrication shops and sites better, faster and at competitive prices. They are also about creating new value propositions, engaging the right competent talents, achieving improvements in productivity on all fronts and protecting profits.

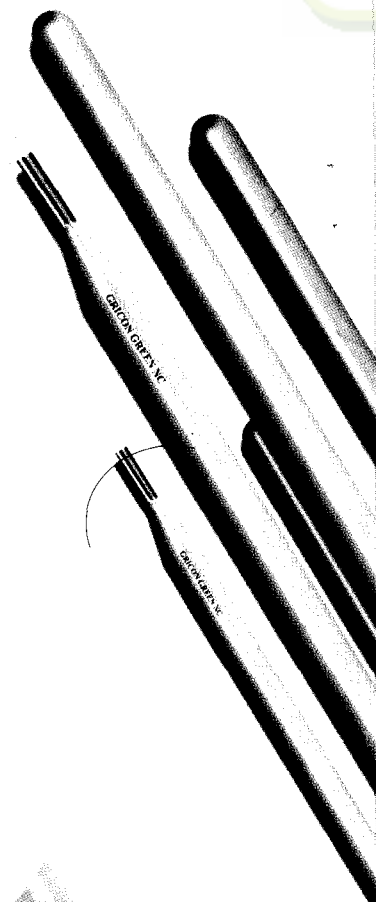
Finally to delight the customers GEE teams are always on a learning curve. This is assured of by making continuous updation in the knowledge base and at the same time bringing in the best of practices.

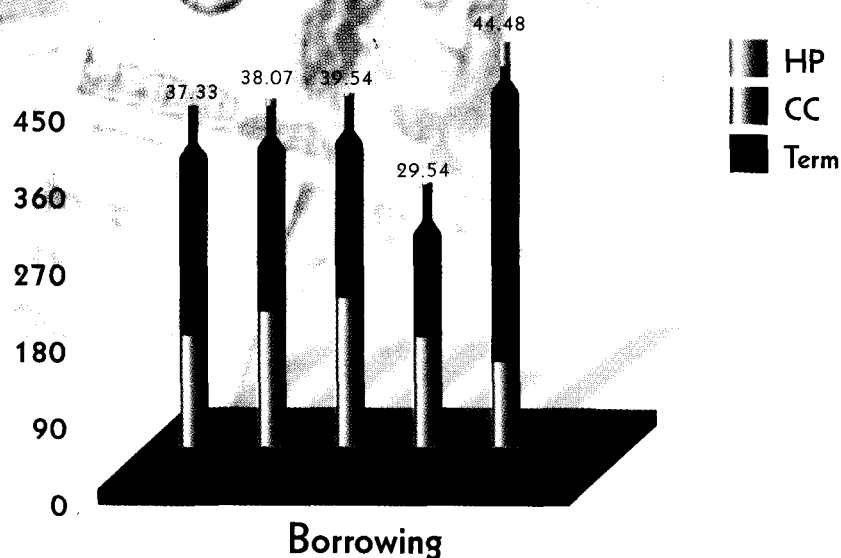
I am sure we can enlist your cooperation and understanding in our endeavour to scale new heights in performance.

Regards and Best Wishes,

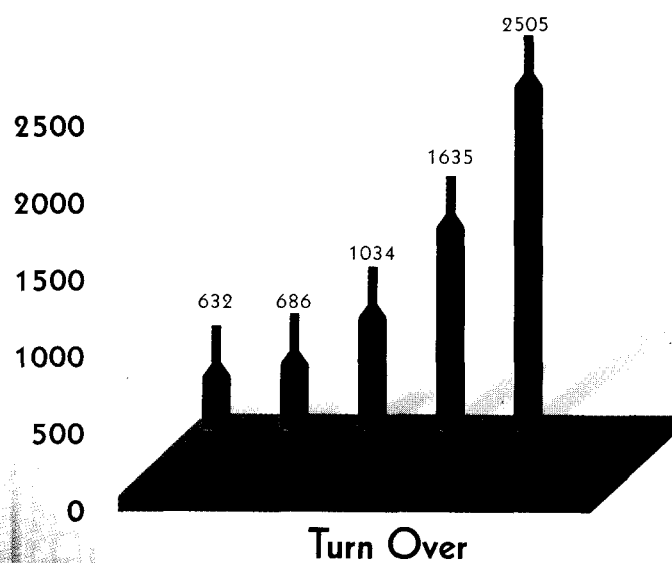
Yours Sincerely,

R.K.Agarwal
Chairman.





Share Holding Pattern



Services

Our services start with offering the right solutions to welding problems. Our customers are at a great advantage on this score because we have some of the best of the highly renowned talents on our rolls. In terms of knowledge and experience in welding metallurgy and applications, power sources and systems they are second to none in the industry. Secondly we through a system of fully established outsourcing and networking we ensure that world's best of welding products and services are also available to our discerning customers. Our computerised system of back up operations evidently enhances the quality of our services.

Quality

Talking about quality, it is an avowed principle of our business and it manifests in all our operations. It all starts with the meticulous care at the procurement point of raw materials itself. Then on we follow it through in processing in every detail, at every stage and finally in packing and delivering of welding consumables. This aspect of quality is testified by the ISO 9001:2000 accreditation we have been awarded for our Thane factory. And for our finished products we secure the required approvals from the respective highly revered agencies like Lloyds, Bureau Veritas, Det Norske Veritas, ISI, Bureau Of Shipping and many others as per industry norms and also as dictated by the end-users from time to time. Our quality consciousness extends to our service segment as well. These include enquiry-processing, order executing and offering the right affordable welding solutions among other things.

Cost

In the welding industry since competition is ubiquitous the customer has a big say in arriving at the buying price. We are fully aware of this and all the time we put in the best of efforts to save on operational cost without making any concession on quality and operational efficiency. This is testified by the fact that we are disciplined by total quality management system and accredited by ISO 9001:2000 accreditation.

ize

Our production capacity is rated at 10000 tonnes per annum on three shifts basis. We bring in plant efficiency by better maintenance of all machinery and streamlining operations at every stage. We have improved on capacity utilization to the rated level.

Instead of increasing the present production capacity we find that outsourcing of consumables and equipment is a well paying proposition and we are able to implement this through our technology-driven networking systems. Our experts interact with their counterpart in Europe and Korea after studying closely the requirements in the shop floors here and organise the import and commissioning of the equipment and support services. Thus beyond the conventional thinking on size we prove the fact that outsourcing can play an increasing role in marketing operations.



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xports

In a liberated economy of ours we understand that we are in a border less world. We therefore have to look beyond the domestic markets. We have in fact made a foray in exports by shipping welding products to UAE, Malaysia and Sri Lanka. And the earlier past we have exported to Bangladesh and Indonesia. Plans are afoot to make exports in a big way identifying important overseas market segments.





Strategy

We are a recognised player in the welding industry. We face competition from large companies as well as from small ones. Also from overseas ones some with good products and some with low quality cheap products. In a situation like this our strategy to protect our present market share besides take on the competition in innovative ways to increase our turnover.

In our business knowledge plays a vital role. Therefore we have enrolled some of the best of minds in welding, engineering and manufacturing.

We have made all that is necessary to improve on our production processes to roll out consumables of impeccable quality.

We have made improvements on our packaging, delivery logistics, order processing and documentation using computerization wherever possible and necessary.

In terms of reaching out to customers we have positioned enough of distributors in important markets besides our own welding experts visiting with planned journey cycles

We are armed with an ever growing portfolio of product: welding consumables and equipment. Beyond what we make in consumables in-house as standard as well as tailor-made through R & D efforts, we import consumables and equipment from SAF and Oerlikon the European giants in welding. Besides we import from Hyundai of Korea

Technology

Our major strength last in the technology we possess. It starts with manufacturing. We have some of the best equipment right from wire drawing and cutting, make-ready of flux, extrusion press and automatic name printing and packing including the much popular vacuum packing. Coming to R & D we have a knowledge-based operation, Which assures of unique formations to most intricate welding jobs in a jiffy



New Development

Gricon Green NC(Nace Grade) AWS/SFA 5.1 E7018-1.

Ideal for welding of structural steels where resistance to brittle fracture is required under adverse operating conditions on off-shore production platforms, fabrication of pressure vessels, nuclear containment vessels etc.

Griduct B2L AWS/SFA 5.5: E7018 B2L

Typical applications include welding of boilers, pressure vessels, headers, high pressure piping, heat exchangers, and condensers, power generation, oil refiners, oil refiners, and petrochemical industries. Deposits 1.25% Cr / 0.50% Mo weld metal.

Griduct B3L AWS/SFA 5.5: E8013 B3L

For welding of boilers, pressure vessels, headers, high pressure piping, heat exchangers and condensers, power generation ----, oil refineries, petrochemical industries, valve bodies, super heaters, hydro crackers and coal liquefied plants. Deposits 2.25%Cr/1.0%Mo weld metal.

Griduct 100 AWS /SFA 5.5:E8018G

For welding of DMR249 A steel. Welding of fine-grained steels for pressure vessels, tanks, penstocks, where high strength and sub-zero temperature toughness properties are of importance. For fabrication of LPG bullets, medium tensile steels. For shipbuilding and ship repairs. Deposits 1.4%Mn/0.80% Ni in weld metal.

Griduct B6 AWS A 5.5: E8018-B6

For welding of creep-resisting steel of matching composition used widely in chemical and petrochemical plants because of excellent resistance to hydrogen attack and corrosion. Applications include boilers, super heaters, heat-exchangers, piping and pressure vessels in oil refineries. Deposits 5% Cr/0.50% Mo in weld metal.

Welding Equipment

Invertor DC Arc Welding Equipment

These Hyundai make welding invertors are offered in four job-rated models. They are: HHCWEL 160, HHCWEL200, HHCWEL250, HHCWEL300. They are portable, compact and light in weight. These power sources deliver stable arc using inverter control circuit. Design element safeguards sticking of electrode to base plate and shock to the operator. Excellent performance is assured in situations demanding high precision in welding. Range of metals covered includes stainless steel, copper and brass.

