

47th ANNUAL REPORT

2007-2008



GEE Limited

The Power of Welding

The Power of Welding www.report-function.com

The Power of Welding

The power of welding lies in the answer to this simple question, "Can we build anything in metal with precision, strength and safety without undertaking a welding process?" Certainly not. Right from the making of a simple appliance to massive industrial complexes, nuclear vessels and space rockets, everything calls for welding operations. What is more, welding is a confluence of several disciplines such as metallurgy, mineralogy, chemistry and physics, besides mechanical, electrical and electronic engineering. We at GEE are thus continuously in quest of excellence in this ever-evolving science and technology of welding. Our effort is to empower the welding fraternity to weld better and faster in conformance with established standards.



GEE Limited
The Power of Welding



Contents

Board of Directors	4
Financial Highlights	5
Mission & Vision Statement	6
Futuristic Marvel	7
Five Years at a Glance	8
Newly Developed Products	9
New Packaging	10
Exhibitions	11
Directors' Report	12-17
Report on Corporate Governance	18-28
Auditor's Report	29-31
Balance Sheet, Profit & Loss Account	32-33
Cash Flow Statement	34
Schedules, Balance Sheet Abstract	35-48



Chairman's Message

Dear shareholders,

I have great pleasure in presenting to you the 47th Annual Report together with Audited Accounts of the Company for the year ended March 31, 2008.

In brief, we have made considerable achievement in sales in terms of volume as well as value. Interestingly, the product mix covers a good volume of high value specialty products aimed at high-tech industries. The sales growth thus achieved is impressive both in the domestic as well as on the international front. All through, we have been able to maintain reasonable profit margins. And you will be happy to know we have fixed a sales target of Rs 1500 Million for the year 2008-'09.

Let me now give you an overview of our operations and what the future holds for us.

Beginning with the production units, both our plants at Kalyan and Kolkata have operated at their rated capacity. As the demand for GEE brands is on the upswing, your company has added production capacity by acquiring three additional units in West Bengal.

To further improve on production and process efficiencies of these plants we are on a programme of installing the most modern machinery and systems thus raising the status to a fully integrated manufacturing operation. Needless to say this approach will include R&D as well as packing line.

You will be happy to note that we have achieved a cent percent growth in terms of sales. The secret of success lies in our technology prowess in terms of product innovation, an incisive sense of diagnosing welding problems and offering matchless solutions with adequate supply back-up. Thanks to the apex body of the welding industry for testifying our technical paper as the best among the many presented followed by an invitation from Indian Standard Institute for a speaking assignment at an international overseas conference.

Our marketing network complemented by knowledgeable experts in strategic geographical positions with widespread dealer outlets works like a composite whole to continuously improve our performance. I must also acknowledge that our research, production, logistics and administrative teams contribute in no



small measure to meet our ambitious goals. We are intensifying our presence in industries like construction, oil and gas, cement, port, steel, ship building and ship repairs, defence, automobiles, power, wind energy utilities, telecom towers etc. On the export front we have the cooperation of our regular agents to improve on their off-takes. Besides, we have extended our footprint by adding new geographies.

You will be happy to know about my optimism about our future. The demand for steel ought to shoot up exponentially, for there is a heavy thrust for building infrastructure in the 11th plan with massive investments running into several billions of US Dollars. So is the fillip that is being given to the manufacturing sector. All this together means a huge demand for welding electrodes, wires, and fluxes.

Our land bank at Thane is in the process of getting converted into an imposing IT park. First of the line architectural firm has been signed up. In parallel we are scouting around for finalising building contractors of exceptional standards. And side-by-side we are looking for well entrenched IT companies to come home with us.

Let us now share the benefit of the good work we have done together: The Board has proposed a dividend of 15 %. Further, the Board has recommended issue of bonus shares in the ratio of 1 (one) equity share for every 5(five) equity shares held.

Yours sincerely

Chairman



Board of Directors

(As at 20-07-2008)



R. K. Agarwal
Chairman



S. L. Agarwal
Managing Director



M. P. Dhanuka
Executive Director
(Marketing)



S. M. Agarwal
Executive Director



Sujit Sen
Director



O. P. Agarwal
Director



K. M. Panthaki
Director



Umesh Agarwal
Whole time Director



Ashok Kumar
Director



Avinash Saraf
Director



Utsav Kapadia
Director

Registered Office

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

Bankers

The Thane Janata Sahakari Bank Ltd.
ICICI Bank Limited

Auditors

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

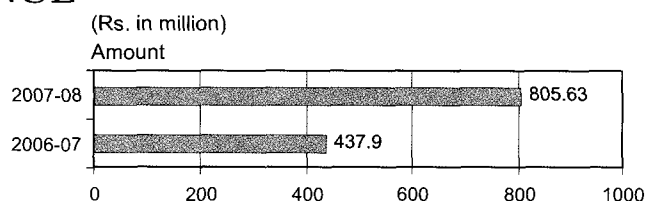
Registrars & Share Transfer Agent

Sharepro Services India Pvt. Ltd.
'Satam Estate' Above Bank of Baroda
Chakala, Andheri (East), Mumbai-400 099

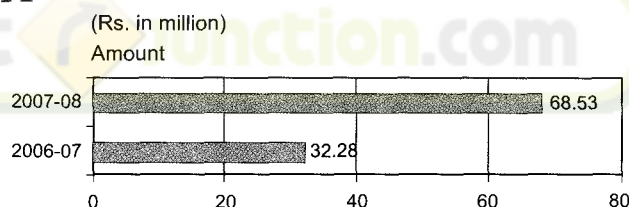


Highlights 2007-2008

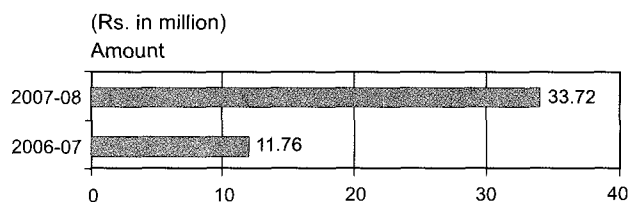
REVENUE



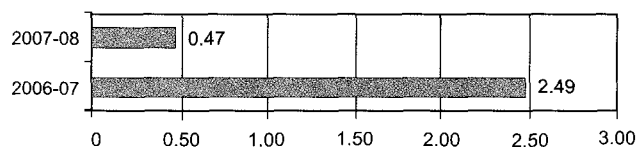
EBITDA



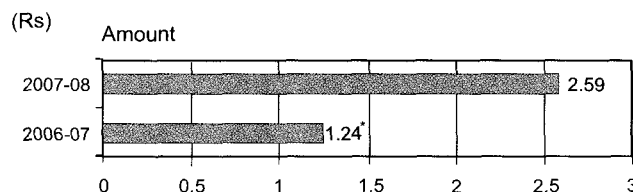
PAT



DEBT EQUITY (Ratio)



EPS



(*) Restated EPS for the year 2006-07 to adjust for the effect of sub-division.

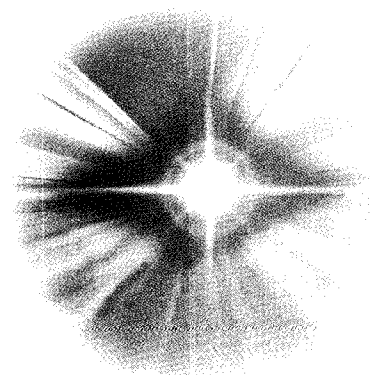


Mission

Welding touches the life and lifestyles of all of us in one way or the other as it plays a vital role in all metal working industries. Our mission therefore is to continuously improve our products, processes and practices, besides bringing in innovations through in-house research and refinement. We will, as an on-going exercise, draw on the strengths of our associates abroad for high-tech products, processes and systems and adapt them to meet domestic demands. All these are aimed at to delight our customers beyond their expectations and heighten the shareholder value all the time. We shall make special efforts to keep employees happy besides all other publics who are impacted by our operations.

Vision

GEE Limited is a significant player in the welding industry in India. We look at the future with a lot of aspirations to get counted among the best in the world. Our vision is to make quantum jump in welding technology development and acquisitions, nurture them and lay them bare before the end users so that every welding site and shop floor will have the indelible imprint of GEE's name.





Futuristic Marvel

To unlock the values of our land bank at Thane, we are converting it into an IT park, giving value addition to our property, several times over.

This imposing model of the building that is being built is the creation of Mr. Hafeez Contractor, the architectural mastermind of our era. We expect an onrush of IT and ITe companies with a keen interest to buy up space whole hog. Looking at this development in another way, we are giving Wagle Estate and its surroundings a facelift of no ordinary kind. Nanotek IT park will soon become a prestigious landmark in the area.

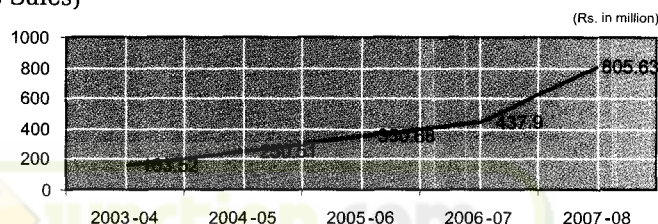
Report Junction.com



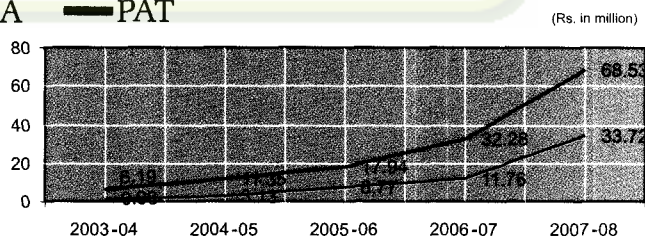


Five Years at a Glance

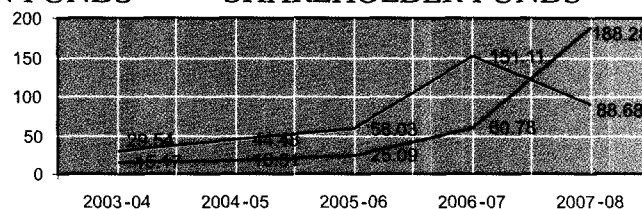
REVENUE (Gross Sales)



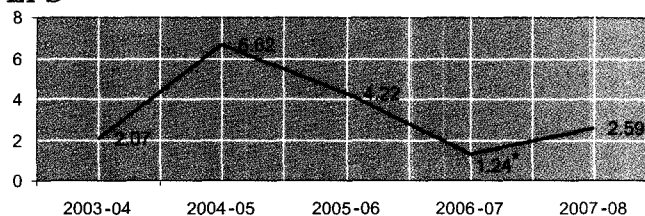
EBITDA PAT



LOAN FUNDS SHAREHOLDER FUNDS



BASIC EPS



(*) On equity share of Rs. 2/- each subdivided.