

54th Annual Report 2014-2015



GWELD

SEAL OF TRUST

GEE LIMITED

The Board of Directors (as on 06-08-2015)

S. L. Agarwal
Managing Director

S. M. Agarwal
Executive Director

G. K. Saraf
Executive Director

M. P. Dhanuka
Executive Director (Marketing)

Payal Agarwal
Director (Finance)

Utsav Kapadia
Director

Ashok Kumar
Director

K. M. Panthaki
Director

Sujit Sen
Director

Registered Office

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

Registrars & Share Transfer Agent

Sharepro Services India Pvt. Ltd
13 AB, Samhita Warehousing Complex, 2nd Floor, Off Andheri
Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka,
Andheri East, Mumbai - 400 072

Bankers

State Bank of India
The Thane Janata Sahakari Bank Ltd.
DBS Bank Ltd.
ICICI Bank Limited

Auditors

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



Mumbai Plant



Kolkata Plant

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 54th Annual Report on the Audited Statement of Accounts for the Financial Year ended 31st March 2015.

Financial Results

Key aspects of your Company's financial performance for the year 2014-15 are tabulated below:-

(₹ in million)

Particular	2014-2015	2013-2014
Gross Income	1,807.53	1,676.93
Profit Before Interest and Depreciation	152.20	161.54
Finance Charges	71.87	72.43
Provision for Depreciation	36.17	25.55
Net Profit Before Tax	44.16	63.25
Provision for Tax	20.50	20.47
Net Profit After Tax	23.66	42.78
Balance of Profit brought forward	290.28	270.73
Balance available for appropriation	313.94	313.51
Proposed Dividend on Equity Shares	7.08	7.08
Tax on proposed Dividend	1.45	1.45
Transfer to General Reserve	10.00	15.00
Surplus carried to Balance Sheet	295.40	290.28

REVIEW OF OPERATIONS

The Indian economy has not shown the expected aggressive growth momentum that was targeted at the beginning of FY15. The net turnover of the Company showed marginal improvement of 7.6% from INR 1674 million in 2013-14 to INR 1801 million in 2014-15. The Company is facing a tough time in maintaining margins as there are a lot of interlinked factors which are putting severe pressure on cash flows and bottom lines. In view of the current economic conditions, the Company is hopeful of overall better performance during the current year.

DIVIDEND AND RESERVES

Your directors have recommended, for consideration of shareholders at the Annual General Meeting, dividend @ 15% (Re. 0.30/- per share of Re. 2 each), on 2,36,25,878 equity shares. The dividend will be paid in compliance with applicable regulations.

Out of the profits available for appropriation, an amount of Rs. 10 million has been transferred to the General Reserve and the balance has been carried forward to the Profit & Loss Account.

SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March, 2015 is Rs. 47.25 million, comprising of 2,36,25,878 shares of Rs. 2/- each. During the year under review, the Company has not issued any equity shares.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Govind Kumar Saraf, Executive and Non-Independent Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

During the year, Mrs. Payal Agarwal has been appointed as an Additional Director with effect from 30th May, 2015.

Further Mr. Shankarlal Agarwal and Mr. Sanwarmal Agarwal were reappointed as the Managing Director and Executive Director of the Company respectively with effect from 1st January, 2015.

Also Mr. Ashok Kumar was redesignated as the Chairman of the Company with effect from 30th May, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments 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 and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively,
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF MANAGERIAL REMUNERATION

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is enclosed as **Annexure I** and forms part of this Report.

NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, eight Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The Intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Directors expressed satisfaction with the evaluation process. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as Independent Director, under the provisions of section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are provided on the Company's website on the: www.geelimited.com

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any subsidiary company and has not entered into joint venture with any other company.

STATUTORY AUDITORS' AND AUDITORS' REPORT

At the Annual General Meeting held on August 2, 2014, M/s Ford, Rhodes, Parks & Associates, Chartered Accountant were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in Calendar year 2016. In the terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Ford, Rhodes, Parks & Associates, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the Shareholders. In this regard to the Company has received a Certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors Report as issued by M/s Ford, Rhodes, Parks & Co Chartered Accountants, Auditors of the Company is self explanatory and need not call for any explanation by your Board.

COST AUDIT

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Ajekar Shivaraya Kini, Cost Accountants, have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2015-16. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

APPOINTMENT OF COMPANY SECRETARY

The Company is in process of appointing Company Secretary in whole time employment pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made there under, M/s. Deep Shukla & Associates, Practicing Company Secretaries, Mumbai have been appointed as the Secretarial Auditors of the Company for the F.Y 2014-2015. The Secretarial Audit Report is enclosed as **Annexure V** to this report.

INTERNAL AUDIT & CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management and Statutory Auditors. Significant internal audit findings are discussed and follow-ups are taken thereon.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company as on 31st March, 2015 comprised of two Independent Directors, namely Mr. Sujit Sen and Mr. Rakesh Mundra and one Non-Executive Non-Independent Director, Mr. Utsav Kapadia. Mr. Sujit Sen is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Managing Director, Executive Director and Director (Finance) are regularly invited to attend the Audit Committee meetings. The other details of the Audit Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report as per Annexure I.

As per the provisions specified in Chapter XIII of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 none of the employees of the Company are in receipt of remuneration exceeding Rs. 60,00,000/- per annum, if employed for whole of the year or Rs. 5,00,000/- per month, if employed for part of the year.

EMPLOYEES' STOCK OPTION PLAN

The Company has not provided stock options to any of its employees.

VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.geellimited.com. The employees of the Company are made aware of the said policy at the time of joining the Company.

RISK MANAGEMENT POLICY

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

EXTRACT OF ANNUAL RETURN:

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure II** and forms part of this Report.

DEPOSITS

The Company has not accepted nor renewed any fixed deposits during the FY 2014-15 as on 31st March, 2015.

LOANS & GUARANTEES

During the year under review, the Company has not provided any loan, guarantee, security or made any investment covered under the provisions of Section 186 of the Companies Act, 2013 to any person or other body corporate.

INSURANCE

The properties/assets of the Company are adequately insured.

RELATED PARTY TRANSACTIONS

During FY 2014-15, the Company entered into certain Related Party Transactions which are in the ordinary course of business and at arm's length basis, with approval of the Audit Committee. The Audit Committee grants omnibus approval for the transactions which are of foreseen and repetitive nature. A detailed summary of Related Party Transactions is placed before the Audit Committee & the Board of Directors for their review every quarter.

There are no materially significant Related Party Transactions executed between the Company and its Promoters, Directors, key Managerial Personnel or other designated persons, that may have a potential conflict with the interest of the Company at large.

Related Party Transactions entered into by the Company were in ordinary course of business and were on an arm's length basis, the details of which are provided as **Annexure IV**; Form AOC 2.

CORPORATE GOVERNANCE CERTIFICATE

A Report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement forms a part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, which gives a detailed state of affairs of the Company's operations forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to discharging its social responsibility as a good corporate citizen.

The composition of Corporate Social Responsibility (CSR) Committee is covered under the Corporate Governance Report, which is annexed to this Report as **Annexure III**.

During the year out of the budgeted expenditure of Rs. 1.6 Million, entire amount has been spent on the projects approved by the Committee and no amount remains unspent as on 31st March, 2015. The Annual Report on CSR activities is annexed hereto as **Annexure III**.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Energy Conservation continued to be priority area for the Company for effective control on electricity and fuel consumption at all the Units. The Company continues its efforts in upgradation of systems and equipment, with a view to improving the quality of the products, minimizing manufacturing wastages, cost reduction in terms of better productivity and customer satisfaction through better product performance. The Company has in-house laboratories and development departments which diligently work on the technical composition of each consumable manufactured on the shop floor. The development department is continuously working on making specific tailor made products for specialized uses in end applications.

All the plants have been certified by DNV. The Kolkata Plant is ISO 9001:2008, 14000 and 18000 certified by DNV and Kalyan Plant is ISO 9001-2008 certified by DNV. All the plants of the Company also adhere to the guidelines of the respective state PCBs and CPCB.

During the year, the total foreign exchange used was Rs. 1917.83 lakh and the total foreign exchange earned was Rs. 635.74 lakh.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. August 2nd, 2014), with the Ministry of Corporate Affairs.

GENERAL

During the year under review, no revision was made in the financial statement of the Company.

During the year ended 31st March, 2015, there were no cases filed /reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

HUMAN RESOURCES

Your Company treats its "Human Resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

ACKNOWLEDGMENT

The Directors would like to thank all shareholders, customers, bankers, suppliers and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board of Directors

Place: Kalyan
Date: August 6, 2015

ASHOKKUMAR
CHAIRMAN
[DIN: 01369217]

Annexure I

Information required under Section 197 of the Companies Act, 2013
read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and
- ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2014-15

Name & Designation	Remuneration of each Directors & KMP for Financial Year 2014-15 (Rs.)	% increase / decrease in remuneration in the Financial Year 2014-15	Ratio of remuneration of each Directors to median remuneration of employees
A. Directors			
Mr. S. L. Agarwal	26,94,664.00		31.23
Mr. S. M. Agarwal	12,99,996.00	(8%)	15.07
Mr. G. K. Saraf	25,94,901.00		30.07
Mr. M. P. Dhanuka	30,72,000.00		35.60
Mr. Utsav Kapadia	21,000.00		
Mr. K. M. Patanki	12,000.00		
Mr. Sujit Sen	12,000.00		
Mr. Ashok Kumar	12,000.00		
Mr. Rakesh Mundra	15,000.00		

Notes:

1. The above remuneration includes sitting fees paid to all the Non-Executive Directors of the Company.
2. Median remuneration of all the employees of the Company for the financial year 2014-15 is Rs. 86,280.
- iii. The percentage increase in the median remuneration of employees in the financial year 2014-15

	Financial Year 2014-15 (Rs.)	Financial Year 2013-14 (Rs.)	Increase (%)
Median remuneration of all employees	86,280	68,640	25.70%

Note: The calculation of % increase in the median remuneration has been done based on comparable employees.

- iv. The number of permanent employees on the rolls of Company.

There were 367 permanent employees on the rolls of Company as on March 31, 2015.

- v. The explanation on the relationship between average increase in remuneration and Company performance.

Profit before Tax decreased by 30% and Profit after Tax decreased by 45% in financial year 2014-15. However, the employees received hikes considering the criticality of the roles they play, their individual performance in the Financial Year 2013-14 and skills set they possess.

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

The total remuneration of Key Managerial Personnel (KMPs) decreased from Rs. 97,51,561 in the Financial Year 2013-14 to Rs. 97,02,561 in the Financial Year

vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

- a. The market capitalization as on March 31, 2015 was Rs.51.97 Crore (Rs.52.56 Crore as on March 31, 2014).
- b. Price Earning ratio of the equity shares of the Company was 22.00 as at March 31, 2015 and 12.29 as at March 31, 2014.

viii. The closing price of the Company's Equity share on the BSE as on March 31, 2015 was Rs.22.00.

ix. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase in the salaries of employee other than the MD in the Financial Year 2014-15 was 12% and there was no increase in the salary of the MD.

The average increase of 12% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2013-14, the individual performance of the employees, the criticality of the roles they play and skills set they possess. The Nomination & Remuneration Committee also compared the Remuneration of MD with the average remuneration prevailing in the Industry and based on that, awarded a onetime market correction in his remuneration.

x. The comparison of the remuneration of each Key Managerial Personnel against the performance of the Company during the Financial Year 2014-15 is as under:

	Remuneration of each KMP for FY 2014-15	% Increase / decrease in remuneration in FY 2014-15	Comparison of remuneration of the KMPs against the performance of the Company
Mr. S. L. Agarwal	26,94,664.00	-	11%
Mr. S. M. Agarwal	12,99,996.00	(8%)	5%
Mr. G. K. Saraf	25,94,901.00	-	11%
Mr. M. P. Dhanuka	30,72,000.00	-	13%

xi. The key parameters for any variable component of remuneration availed by the Directors. There are no variable component in the remuneration availed by the Directors.

xii. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.

xiii. Affirmation that the remuneration is as per the Remuneration Policy of the Company

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

Annexure II**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L99999MH1960PLC011879
2.	Registration Date	24/11/1960
3.	Name of the Company	GEE LIMITED
4.	Category / Subcategory of the Company	PUBLIC COMPANY / LIMITED BY SHARES
5.	Address of the Registered office & contact details	PLOT NO.E-1, ROAD NO. 7, WAGLE INDUSTRIAL ESTATE, THANE
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services India India Private Limited Registrar & Share Transfer Agent 13AB, Samhita Warehousing Complex, 2 nd Floor, off Andheri Kurla Rd., Sakinaka Telephone Exchange Lane, Saki Naka, Andheri (E), Mumbai - 400072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main Products / Services	NIC Code of the Products / Services	% to total turnover of the company
1	MANUAL METAL ARC WELDING / BRAZING ELECTRODES of manufacture falling under ITC-broad description of cored wire base of metal for electric arc welding	83111000	66
2	CONTINUOUS WELDING ELECTRODES of manufacture falling under ITC broad description of other	72179092	27

I. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/GLN	% of Shares held	Applicable Saction
N.A.				