

51st Annual Report
2011-2012



GEE LIMITED



The Board of Directors

S. L. Agarwal
Managing Director

S. M. Agarwal
Executive Director

G. K. Saraf
Executive Director

M. P. Dhanuka
Executive Director (Marketing)

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.
ICICI Bank Limited

Auditors

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



Mumbai Plant



Kolkata Plant

From the Managing Director's Desk

Dear Shareholders,



I have great pleasure in presenting the 51st Annual Report for the year ended 31st March, 2012.

The last fiscal was a challenging year on many fronts. Asia's third largest economy posted its lowest GDP growth rate at approximately 6.9%, reporting the effect of global factors- Eurozone debt crisis and high oil prices, as well as a sluggish domestic environment marked by high inflation, liquidity crunch and slow investment and industrial activities. Steel consumption, a key indicator of the industry's growth rate was well below expectation.

In this backdrop, GEE posted a growth of 18% in turnover over the previous year, signaling the greater market share it is poised to capture. Delivering on our promise to grow consistently, we have been taking aggressive stance towards building customer relations and pursuing new clients. However, net profit margins remain under pressure, mainly on account of erratic trends in prices of key raw materials. Further, hardening of interest rates by the central bank also had a negative impact on the Company's bottomline.

Despite a difficult financial year, we are slightly more optimistic about the current fiscal, as statistics for the month of May show an improvement. The bottlenecks responsible for lower steel consumption are gradually phasing out. Indian steel demand rose sharply in the first quarter of the current fiscal. Gee's growth is directly linked with the overall infrastructural development of the country. We can safely say that this may be a trying phase but this is definitely not the end. There is light beyond the tunnel. And this hope stems from the basic fact that India, as compared to its developed counterparts, still has a long way to go in terms of per capita steel consumption, infrastructural development and consolidation, all of which will entail high demand for welding consumables. It will be premature to predict the economic scenario in the year to come. The government should work on a war footing on policy reforms, thereby creating a rebound in economic growth, renewed investor appetite and a general confidence in the economic structure as a whole. Given that it does happen, we see a more robust growth in Gee and we promise to deliver up to the mark.

As a Company and as a team, we are working passionately towards taking Gee to new platforms and raising quality bars across industry. Last but not the least, let me thank you for your support and the trust that you have reposed in the Company which has enabled us to achieve this growth.

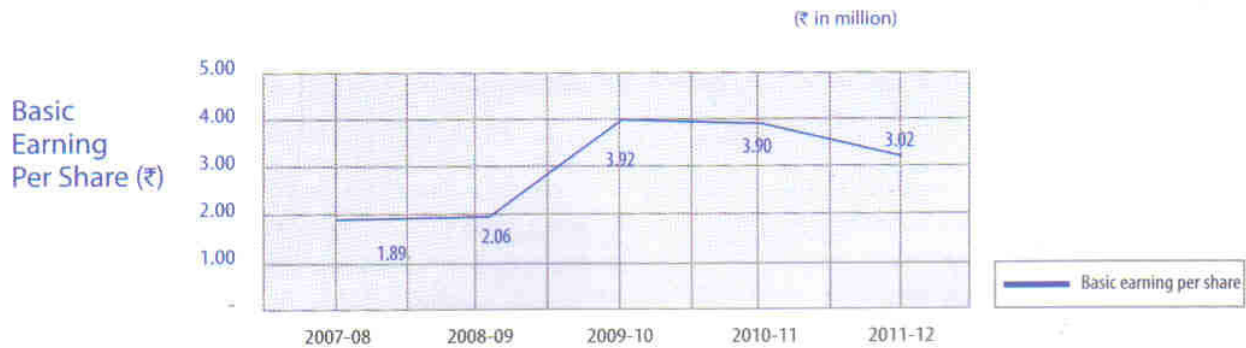
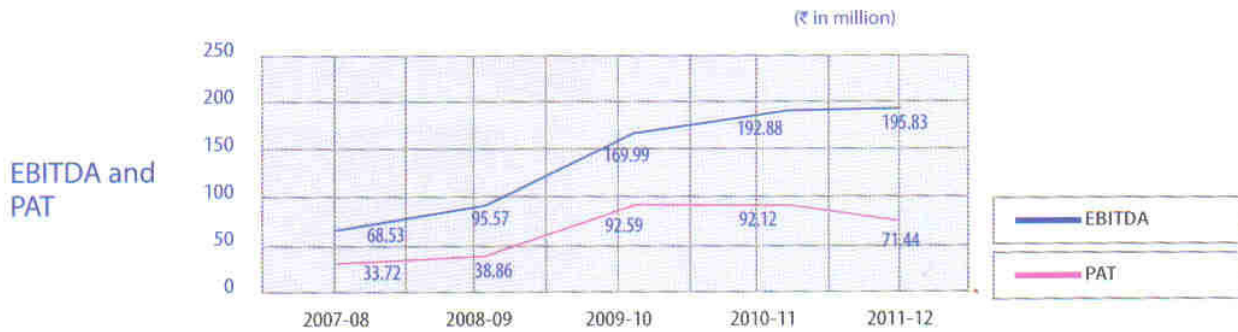
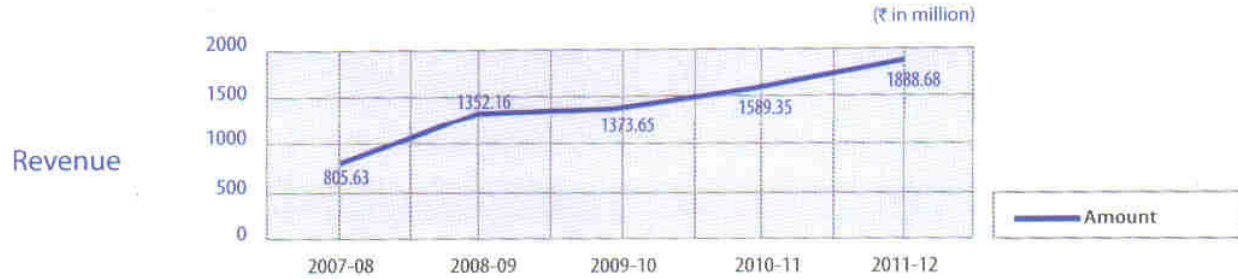
Yours Sincerely,

S.L. Agarwal
Managing Director

2011-2012 Highlights



Five Years at a glance



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 51st Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

Financial Results

Key aspects of your Company's financial performance for the year 2011-12 are tabulated below:-

(₹ in million)

Particular	2011-2012	2010-2011
Sales (Gross) & Other Income	1888.68	1589.35
Profit before Interest & Depreciation	195.83	193.57
Financial Charges	74.15	53.11
Depreciation	20.11	13.91
Profit before Taxes	101.57	126.55
Payment / Provision for Taxes	30.13	34.43
Profit after Taxes	71.44	92.12
Profit brought forward	199.37	130.54
Appropriation to:		
General Reserve	15.00	15.00
Proposed Dividend	7.08	7.08
Tax on Proposed Dividend	1.15	1.20
Profit carried to Balance Sheet	247.57	199.37

Dividend

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

During the FY 2011-12, India's GDP slowed down to 6.9% due to overall depressed sentiments within and outside the country. Despite the challenging environment, it is a matter of satisfaction that your Company has registered improvement in the topline of 18%, from INR 1470 million in 2010-11 to 1732 million in 2011-12. The increase in topline is attributed to better product mix, repeat orders from regular customers who find value addition from our product range and the effect of an increased capacity base to service increasing demand for Gee's products across sectors.

The Company completed its planned expansion project at all 3 locations-Thane, Kalyan and Kolkata, as per schedule. In total, Gee added Rs. 131.78 million to its gross block of fixed asset. The expanded capacity is expected to usher in higher revenues for the Company, riding on high steel consumption and increasing demand.

As discussed in the last fiscal, tight liquidity conditions with persistent hardening of interest rates put severe stress on net profit margins. To cut down its finance costs, the Company ventured into new financial products like Foreign Currency denominated loans, Buyers' Credit facility and Packing Credit in Foreign Currency. The Company converted INR 187.10 million of its INR term loan and a part of Cash Credit facility into Foreign Currency loan backed by FCR deposits. However, since these arrangements were entered into in the second half of the fiscal, entire impact of the benefit from the same could not be factored in the year under review. The management is hopeful that this exercise will yield positive results in the coming financial years. However, steep depreciation in the Indian Rupee vis-à-vis the dollar impacted in a negative manner having a notional cost of INR 6.84 million, included in the financial charges.

Further, with inflationary pressures, high borrowing costs and increase in cost of key raw materials affected profitability and internal accruals thereby. Due to such unprecedented increase in raw material prices, the Company was unable to pass on its impact to the end consumer in total. The Company operates in a highly competitive industry with a big chunk of the sector also operated by unorganized players. The PBT declined by 2.75% as compared to the previous year, from INR 126.55 million in 2010-11 to INR 101.57 in 2011-12.

The highlights and details are discussed under the Management Discussion and Analysis attached as Annexure - D to this report. The Company's expansion of capacity of welding consumables, Solid Wires and SAW Wires will deliver fruitful results in the coming years. We definitely look forward to capture greater market share in our operating segments.

Diversification Projects

As reported last year the management shall embark upon the project as and when it is deemed fit without affecting the Company's core revenue and cash flows. The management maintains its opinion that the IT Park is a diversification project and its core competence lies in welding consumables and its ancillaries. Therefore, it will undertake the project with utmost precautions, safeguarding the interests of all concerned and generating maximum benefit for the Company.

Energy, Technology & Foreign Exchange

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto in Annexure-A.

Fixed Deposits

The Company has neither accepted nor renewed any Fixed Deposit from the public during the year and as on 31st March 2012, there were no outstanding deposits.

CORPORATE MATTERS

Corporate Governance

The Company has complied with the Corporate Governance code as stipulated under the listing agreement executed with the Stock Exchange. A separate section on Corporate Governance along with a certificate from the auditors of the company confirming the compliance is annexed and forms part of this Report.

Directors

The respected Directors, Mr. M.P. Dhanuka, Executive Director and Mr. Utsav Kapadia, Director, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The necessary resolutions are being placed before the shareholders for approval.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 and of the profit or loss of the company for that period;
- iii) 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;
- iv) the directors have prepared the annual accounts on a going concern basis.

Internal Control System and Adequacy

Your Company maintains an adequate system of internal control including a suitable monitoring process. For the purpose of financial control, the Company is adequately staffed with experienced and qualified personnel at all levels and plays an important role in implementing and monitoring the statutory and internal policy control.

The internal audit department regularly conducts reviews to assess financial and operating controls at various locations of your Company. Any significant issue is brought to the notice of the Audit Committee.

Auditors

M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received certificates from them that their appointment will be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956. The necessary resolution is being placed before the shareholders for approval.

Employees

There were no employees drawing remuneration in excess of ceiling(s) prescribed under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Acknowledgement

Your Directors also wish to appreciate the dedication and commitment displayed by employees at all levels and also express their sincere thanks and appreciation to Financial Institutions, Banks and Shareholders, the State and Central Government, customers, dealers and suppliers for their continued support and co-operation.

For and on behalf of the Board

Place : Thane
Date : August 17, 2012

S. L. AGARWAL
Managing Director

S. M. AGARWAL
Executive Director

Annexure A to the Directors' Report

(Additional Information in terms of Notification No.1029 of 16.12.1988 issued by the Department of Company Affairs)

[A] Conservation of Energy

The disclosure of conservation of energy has not been provided as the Company is not covered under the list of specified industries under the Disclosure of Particulars in the Report of Board of Directors Rules, 1988. However, required conservation measures mentioned below are undertaken by the Company:

- Fuel consumption in DG sets was reduced by using automatic change-over and APFC panels.
- Introduction of AC Induction Motors in place of DC Motors.
- ETP/STP installations enabled use of recycled water.
- Blowers and cooling fans in equipment re-wired to run only when PDN equipment is in use.
- Introduction of gas fired heating system in replacement of static oven heaters.

[B] TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

Efforts made towards technology absorption and R&D is given as per Form-B annexed herewith.

[C] FOREIGN EXCHANGE EARNINGS & OUTGO

Details of earnings and outgo of foreign exchange are given in Schedule 22, Notes to the Accounts. The Company continues to strive to improve its export earnings.

FORM B (See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

[A] RESEARCH & DEVELOPMENT (R&D)

1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY:

Improvement / Technology upgradation of the Company's existing products and Research and Development of alternate raw material with a view to improve quality, minimize imports and to reduce costs. A new spectrometer was added to enhance the quality standards across all product ranges.

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D :

- Wider range of electrodes, enhanced value equation and greater customer satisfaction.

3. FUTURE PLAN OF ACTION:

- The Company intends to pursue technology innovation, renewed up-gradation in its product range consistently to enhance consumer service and reduce costs at all levels.

4. EXPENDITURE ON R&D

	₹ in million	
	2011-2012	2010-2011
a) Capital	--	--
b) Recurring	--	--
c) Total	--	--
d) Total R&D expenditure as a percentage of total turnover	--	--

[B] TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. EFFORTS IN BRIEF, MADE TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The following measures are undertaken by the Company:

- Development of welding consumables for Super Thermal power plant with special chemical and mechanical properties.
- Development of Non-synthetic basic type of electrode for Hydro-Power electrical plants.
- Development of special binder for achieving extremely low hydrogen in the welding electrodes.
- Welding Consumables developed for cryogenic steels used in fertilizers and petrochemical sectors.
- Development of welding consumables for welding special grade of steels used in defence shipbuilding industries.
- Welding Consumables developed for armour steels used in army tanks.

**2. BENEFITS DERIVED AS A RESULT OF THE ABOVE EFFORTS,
E.g. Product Development, Import Substitution Etc.:**

The benefits derived from the mentioned technology absorption measures:

- Significant reduction in power and fuel cost.
- Improvement in quality of electrode.

3. PARTICULARS OF IMPORTED TECHNOLOGY IN THE LAST FIVE YEARS:

- a) Technology imported : N.A.
- b) Year of Import : N.A.
- c) Has technology been fully absorbed : N.A.
- d) If not fully absorbed, reason & future action plan : N.A.

Annexure B to the Directors' Report Report on Corporate Governance

Introduction

Your Company has complied in all material aspects with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance of the Listing Agreement by the Company is provided below.

Company's Philosophy

Corporate Governance is about commitment to values and integrity in directing the affairs of the Company. It is an integral part of strategic management. Its basic tenets are adherence to ethical business practices; responsibility and accountability; honesty and transparency in the functioning of the management and the Board; true, complete and timely disclosures; and compliance of law. The Company's philosophy is to uphold the core values of ethics and create maximum shareholder value without compromising the integrity of business practices.

The Board of Directors and the management of GEE Limited commit themselves to:

- Strive towards enhancement of shareholder value through sound business decisions
 - Prudent financial management and
 - High standards of ethics throughout the organization
- Ensure transparency and professionalism in all decisions and transactions of the Company

1. Board of Directors

During the year, 4 Board Meetings were held on 30.05.2011, 30.07.2011, 31.10.2011 and 30.01.2012

None of the Directors of the Board is a member of more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and Committee Memberships are given below:

Sl.No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	No. of Member of other Committees	Chairmanship of other Committee(s)	Note No.
1	Mr. S.L. Agarwal	Managing Director	4	Yes	6	2	-	A
2	Mr. S.M. Agarwal	Executive Director	4	Yes	-	2	-	A
3	Mr. G K Saraf	Executive Director	1	Yes	3	-	-	A
4	Mr. M.P. Dhanuka	Executive Director (Marketing)	4	Yes	-	-	-	C
5	Mr. Ashok Kumar	Non-executive Director	-	Yes	-	3	-	B
6	Mr. Sujit Sen	Non-executive Director	-	No	1	3	2	B
7	Mr. Utsav Kapadia	Non-executive Director	2	Yes	12	-	-	B
8	Mr. K.M. Panthaki	Non-executive Director	4	No	1	3	1	B

A. Promoter Directors.

B. Non-executive and independent Directors.

C. Executive and independent Directors.

Equity Shares held by Directors

Name of the Director	No. of Equity shares
Mr. S.L. Agarwal	1,752,016
Mr. S.M. Agarwal	423,898
Mr. G. K. Saraf	197,868
Mr. Utsav Kapadia	93,122

2. Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has laid down Standards on secretarial practices relating to meetings of the Board and Board Committees, General Meetings, dividends etc. The Secretarial and the operating practices of the Company are in line with the above Secretarial Standards.

All the information required under Annexure-I to Clause 49 of the Listing Agreement with Stock Exchanges is being placed before the Board at every meeting, with the current status duly updated.

3. Audit Committee**Composition & Meeting**

The Audit Committee's terms of reference conforms to section 292A of Companies Act, 1956 as well as Clause 49 of the Listing Agreement. During the Financial Year 2011-12, four meetings of Audit Committee were held as follows:-

Sl. No.	Name of Director	Status	Meetings attended (Y/N)			
			30.05.11	30.07.11	31.10.11	30.01.12
1	Mr. Sujit Sen	Chairman & Non-executive Independent Director	N	N	N	N
2	Mr. Ashok Kumar	Non-executive Independent Director	N	N	N	N
3	Mr. K. M. Panthaki	Non-executive Independent Director	Y	Y	Y	Y
4	Mr. S. L. Agarwal	Executive Non-Independent Director	Y	Y	Y	Y
5	Mr. S. M. Agarwal	Executive Non-Independent Director	Y	Y	Y	Y

The Statutory Auditor (if need arise), Internal Auditors are invitees to the Audit Committee Meetings.

4. Remuneration Committee

Your Company has formed a Remuneration Committee to lay down the norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company. The Remuneration Committee has been assigned to approve and settle the remuneration package with the optimum blending of monetary and non-monetary outlay.

Composition of Remuneration Committee:

Sl. No.	Name of the Director	Status	Designation in Committee
1	Mr. Sujit Sen	Non-Executive Director	Chairman
2	Mr. Ashok Kumar	Non-Executive Director	Member
3	Mr. K. M. Panthaki	Non-Executive Director	Member

5. Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practices.

The remuneration of Executive Directors largely comprises basic remuneration and perquisites. There are no stock option benefits to any of the Directors. The non-executive Directors do not draw any remuneration from the Company.

Particulars of Directors' Remuneration during the financial year ended 31st March, 2012.

Name of Director	Salary & Perquisites # (₹)	Sitting Fees (₹)	Total
Mr. S.L. Agarwal Managing Director	2,340,000	NIL	2,340,000
Mr. S.M. Agarwal Executive Director	1,471,671	NIL	1,471,671
Mr. G. K. Saraf Executive Director	2,393,503	NIL	2,393,503
Mr. M.P. Dhanuka Executive Director Marketing	2,799,600	NIL	2,799,600
Mr. Utsav Kapadia Director	-	10,000	10,000
Mr. K.M.Panthaki Director	-	20,000	20,000

Perquisites includes Leave Travel Allowance, Medical Expenses & Company's Contribution to Provident and Superannuation Funds and other Allowances.

6. Share Transfer-cum-Shareholder / Investor Grievance Committee

Your Company has constituted a permanent Shareholders' Grievance Committee to look into the shareholders' grievances. The committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in quality of investor service.

Name	Category of Directorship	Designation
Mr. K.M.Panthaki	Non-Executive & Independent Director	Chairman
Mr. S.L.Agarwal	Executive Director	Member
Mr. S.M.agarwal	Executive Director	Member
Mr. Ashok Kumar	Non-Executive & Independent Director	Member
Mr. Sujit Sen	Non-Executive & Independent Director	Member

Complaint Status

During the year the Company has not received any complaints from the shareholders. As on date, there are no pending complaint of any shareholder.

7. General Body Meetings

The details of Annual General Meetings held during the last three years are as under :-

Year	Date	Time	Venue	Special Resolution Passed
2010-11	17th September, 2011	11.30 a.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606	0
2009-10	17th September, 2010	01.00 p.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606	1
2008-09	30th September 2009	11.00 a.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606	6

Details of the Last Three Extra Ordinary General Meetings

Year	Date	Time	Venue
2010-11	NIL	NIL	NIL
2009-10	NIL	NIL	NIL
2008-09	NIL	NIL	NIL

All the resolutions placed before the shareholders at the above meetings were approved.

8. Disclosures

Details of related party transactions during the year have been set out under Note No. 14 of Schedule '22' of the Annual Accounts. However, these have no potential conflict with the interests of the company at large.

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges / SEBI or any other statutory authorities on any matter related to capital markets, during the last three years.

Presently the Company does not have a Whistle Blower Policy but has a policy similar to it, which is called Open Talk. No personnel of the Company have been denied access to the Audit Committee.

GEE Limited has implemented a Code of Conduct based on its business principles along with implementation framework for its Directors and senior management of the Company. In compliance with the code, Directors and senior management of the Company have affirmed compliance with the Code for the year ended on 31st March 2012. A declaration to this effect signed by the Managing Director form part of this Annual Report.

9. Means of Communication

The financial results of the Company are published in widely circulating dailies such as Free Press Journal & Navashakti. Information released to the press at the time of declaration of results is also sent to 'The Bombay Stock Exchange' where the shares of the Company are listed for trading.

All the above results and documents are also displayed on the Company's official website www.geelimited.com

10. Management Discussion & Analysis Report

The comprehensive Management Discussion & Analysis Report has been enclosed with this report.

11. Compliance

Mandatory requirements

The Company has fully complied with the applicable mandatory requirements of the Clause 49.

Adoption of non-mandatory requirements

1. Tenure of Independent Directors

No specific tenure has been specified for the Independent Directors.

2. Remuneration Committee

The Company has Remuneration Committee that comprises of three members. The Chairman of the Committee is an independent Director.

3. Audit Qualifications

The Auditors have raised no qualification for the Financial Statements of the Company.

4. Whistle Blower Policy

The Company does not presently have a Whistle Blower Policy in place, but a similar policy called Open Talk. However, no personnel are denied access to the Audit Committee.

Compliance Certificate of the Auditors

The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto as Annexure C to the Directors' Report.

12. CEO / CFO Certification

The Managing Director (de-facto Chief Executive Officer) has given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement, attached hereto in Annexure - E to the Directors' Report.

13. General Shareholder Information

Annual General Meeting (Date, Time & Venue)	Monday, September 17, 2012 at 4.00 p.m. at Hotel Satkar Residency, Pokhran Rd. No. 1, Thane (W)-400604, Mumbai, Maharashtra
Financial Year	1st April 2011 - 31st March 2012
Dividend for Financial Year 2010-11	The Board of Directors has, subject to the approval of Shareholders at Annual General Meeting, recommended dividend @ 15% for the financial year 2011-12
Listing on Stock Exchange	Shares of the Company are listed on The Bombay Stock Exchange, Mumbai. Annual Listing fees have been duly paid to The Bombay Stock Exchange
Stock Code	504028
Financial Calendar 2012-13(Tentative & subject to change)	1. First Quarter result-31st July, 2012 2. Second Quarter result-31st October, 2012 3. Third Quarter result-31st January, 2013 4. Fourth Quarter result-30th April, 2013 5. Audited yearly result for the year ended March, 2013-End of May 2013
Registrar & Transfer Agents(both for Electronic & Physical Segment)	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
Share Transfer Systems	The share transfers that are received in physical form are processed and the share certificates returned within 30 days of lodgement subject to the documents being valid and complete in all respects
Dematerialization of Shares	The Company's shares are available for dematerialization on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL). The ISIN No. allotted to equity shares of the Company is INE 064H01021
Regd. Office	Plot No. E-1, Road No.7, Wagle Industrial Estate, Thane(W) - 400604
Address for Correspondence	Plot No. 12B, MIDC, Kalyan Bhiwandi Road, Saravali, Kalyan (W) - 421 311
Compliance Officer	SANWARMAL AGARWAL (EXECUTIVE DIRECTOR) Tel: 02522 281176/88, Fax: 02522 281199, E-Mail: shares@geelimited.com

14. Share Price Performance

The monthly high and low quotations of equity shares of the Company traded on Bombay Stock Exchange (BSE) is tabled below:

Month	BSE		BSE SENSEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2011	42.00	36.00	19,811.14	18,976.19
May, 2011	43.00	31.65	19,253.87	17,786.13
June, 2011	40.00	31.10	18,873.39	17,314.38
July, 2011	46.00	31.10	19,131.70	18,131.86
August, 2011	42.95	32.10	18,440.07	15,765.53
September, 2011	39.70	34.10	17,211.80	15,801.01
October, 2011	39.70	35.05	17,908.13	15,745.43
November, 2011	37.00	29.65	17,702.26	15,478.69
December, 2011	39.00	31.10	17,003.71	15,135.86
January 2012	33.75	29.75	17,258.97	15,358.02
February, 2012	34.75	29.70	18,523.78	17,061.55
March 2012	37.90	29.10	18,040.69	16,920.61

* Source: BSE Website

15. Distribution of Shareholding as on 31st March, 2012

No. Of Shares	No. of Shareholders	%	No. of Shares	%
Less than 2500	1655	87.427	757,888	3.208
2501-5000	88	4.649	326,211	1.357
5001-10000	63	3.328	457,123	1.935
10001-15000	16	0.845	201,470	0.853
15001-20000	19	1.004	337,177	1.427
20001-25000	06	0.317	134,177	0.568
25001-50000	10	0.528	382,175	1.618
50001 and above	36	1.902	21,035,196	89.035
Total	1893	100	23,625,878	100

16. Shareholding Pattern of the Company as on 31st March, 2012:

Category	No. of shares held	%
Promoters, Directors & their relatives and Associates Companies	14,942,840	63.25
Financial Institutions/Insurance Companies	639,717	2.71
Other Bodies Corporate	4,515,069	19.11
Individual	3,525,197	14.92
NRIs	2,798	0.01
Trust	257	0.00
Total	23,625,878	100.00

For and on behalf of the Board

Place : Thane
Date : August 17, 2012

S. L. AGARWAL
Managing Director

Annexure C to the Directors' Report

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of

GEE Limited

We have examined the compliance with the conditions of Corporate Governance by GEE Limited (the 'Company') for the year ended March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor an expression of opinion of the financial statements of the Company

In our opinion and to the best of our information and explanations given to us and representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FORD, RHODES, PARKS & Co.
Chartered Accountants

Place : Mumbai
Date : August 17, 2012

A. D. SHENOY
Partner
Membership No. FCA 11549

Annexure D to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance and Overview

FY 2011-12 was a challenging year. The global economy, still struggling to emerge from the recessionary phase, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high fuel prices. The slowdown in the Indian economy was largely due to global factors, and also undoubtedly because of domestic factors like tightening of monetary policy, high inflation and slower investment and industrial activities. India's unexpected deceleration in GDP this year, to about 7%, is explained as a global phenomenon affecting all countries. Moreover, the misconceived insulation from global events that the Indian economy enjoyed earlier was shattered portraying an economy duly affected by international crises and economic phenomena.

Further, India's headline inflation numbers surpassed expectations accelerating to almost 9% in FY 2011-12. High oil prices, fuelled by uncertainties in supply and unseen increase in prices of key raw materials took companies across the welding consumable industry under its permeating effect, putting margins under pressure. Aggravating the inflationary issue, effect of liquidity crunch in the market was a major issue, leading to higher interest rates and lower accruals. Major slowdown was observed in the industrial and construction activity which is proved by the fact that production of capital goods has shrunk by as much as 21.3% indicating that real investment is not taking place in the economy. This is particularly disturbing as it is these capital goods which are installed in factories to produce more goods and determine the rate of growth in the future. Capex plans across all sectors were postponed or stalled.

Despite this unfavourable economic environment, the Company registered 18% growth in its turnover, compared to last financial year. The Company completed its scheduled expansion project at all 3 locations - Thane, Kalyan and Kolkata, commissioning all plants during the FY 2011-12, as envisaged. In total, GEE added INR 131.78 million to its gross block of fixed asset. The Company has also been pursuing key customers aggressively over the last few years, thereby registering a spate of repeat orders from existing customers, satisfied with the quality deliverance by GEE.

The impressive growth in net turnover was marred by high raw material consumption cost to sales which increased by 2.25% from INR 1,053.38 million to INR 1,279.00 million. The Company was unable to pass on the hike in raw material prices to the end consumer completely, taking a beating on its EBITDA margins.

Employee benefit expense went up marginally by 0.86% of sales, whereas, on the other hand, other expense as a percentage of sale went down by 0.91%, signaling strict control over costs by the management.

EBITDA margins went down by 1.75% due to severe constraints on realization and high input costs.

Tight liquidity crunch in Asia's third largest economy and persistent increase in interest rates had negative impact on the Company's finance costs as a percent of sales, raising it by 0.75%, from INR 52.22 million to INR 74.15 million. The Company adopted new-age financial products in foreign currency to counter the impact of high finance cost environment. Since these foreign currency loans were taken in the second half of the financial year, the full impact of its benefit could not be felt during the year under review. However, the Company is hopeful of registering its positives in the coming fiscals. A steep depreciation in the Indian Rupee, however, impacted negatively, due to which the Company had to bear notional loss of INR 6.84 million due to conversion of loans at the exchange rate on date of closure of financial statements.

PBT levels dropped by 2.75% of sales from INR 126.55 million to INR 101.57 million. PAT also consequently reflected drop of 2.14% of sales, from INR 92.12 million to INR 71.44 million.

Outlook, opportunities and threats

The outlook for FY 2012-13 is on a more positive note than the last fiscal. Notwithstanding lower growth of domestic steel consumption during the first three quarters of the last fiscal, the overall performance of the sector is "optimistic". The RBI projects the economy to grow at 7.3 percent in 2012-13.

The main indicator for the welding consumable industry is the growth in steel consumption. India, as a developing economy, has a long way to reach the steel consumption per capita in the globally developed economies. Indian steel demand rose sharply in the April to June quarter, bucking weak industrial growth and a slowdown in infrastructure spending. Steel demand usually tracks growth in industrial output quite closely, as it is the basic raw material for both the manufacturing and construction sectors. The Government has also allocated higher budget on infra spend, power and construction activity. This in turn will be harbinger of positive growth in our industry.

Investments worth Rs.50 lakh crore have been proposed in the 12th Five-Year Plan. The allocation for the road, transport and highways ministry was hiked by 14 per cent. The Indian government is setting up a Project Clearance Board, a new body on the lines of foreign investment promotion board or FIPB, to fast track clearances for infrastructure projects. The move could bring cheer to businesses as concerns of a 'policy paralysis' and slowdown in decision-making were raised. Rail sector in India is now poised for double digit growth in the coming decade as current initiatives in private funding and

enhanced government support succeed. Newer routes, technologies and organisation structures will offer many opportunities for successful investments.

The government has been optimistic about pulling through with a 7 % GDP growth rate for the current financial year, despite the economic slowdown. However, the disappointing numbers for the industrial growth rate seem to suggest that the economy may fall short of this target. Further, erratic trends in prices of steel and other metals and minerals with an upward bias will be a major issue to tackle.

Also, more international players are setting up shop in India, making competition even stiffer.

The latest figures have come as an eye opener and highlight the problem within. If investment has to take place then the government will have to work on a war footing and push through reforms that will create a conducive environment. Interest rates also need to be brought down more aggressively so that corporates can step up investments and consumers get easier loans to buy goods and keep the wheels of industry moving.

Overall, lower interest rates, a rebound in economic growth, renewed investor appetite facilitating equity flows into infrastructure and a strengthening rupee could help stabilise the credit quality of infrastructure projects.

The Company is diversifying into wider range of products to cater to changing needs of the time. To curtail impact of inflation, management is exerting strict internal controls on expenditure and any unwarranted expense is not entertained. We are also adapting to rapidly changing economic dynamics and hope to capture greater market shares in future

Human Resources

Human resources management plays a vital role in the development and growth of the Company's core assets, its employees. By adopting a partnering approach, the HR function strives to create and provide innovative solutions to ensure that the needs of both the Company and its employees are fulfilled.

Due to the various steps initiated in providing amenities to the employees, the Company continued to enjoy harmonious employee relations despite the tough times being faced by the economy.

Cautionary Statement

Details given hereinabove relating to various activities and future plans may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual performance may differ from those expressed or implied.

Annexure E to the Directors' Report

The Board of Directors

GEE Limited

Dear Sir,

It is hereby certified that the members of the Board of Director of the Company and the senior Management Personnel have affirmed the compliance with the Code of Conduct adopted by the Company in terms of clause 49(1) (D)(ii) of the Listing Agreement.

Place : Thane
Date : August 17, 2012

S. L. Agarwal
Manging Director

Auditors' Report to the Members of GEE Limited

1. We have audited the attached Balance Sheet of GEE Limited, as at 31st March, 2012 and also the Profit and Loss Account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in paragraph 3 above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - iii) The Balance Sheet, Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors we report that none of the Directors of the Company is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with the significant accounting policies and notes to the accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date and
 - c) in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W

A. D. SHENOY
Partner
Membership No. FCA 11549

Place : Mumbai
Date : May 30, 2012

Annexure To The Auditor's Report (Referred To In Paragraph 3 Of Our Report Of Even Date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of all the fixed assets.
(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification and the same has been properly dealt with in the books of account.
(c) During the year, the Company has not disposed off any substantial part of the fixed assets so as to affect the going concern.
2. (a) As explained to us, inventories have been physically verified by the management at reasonable intervals and also at the close of the year.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation with the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventory and the discrepancies between the physical inventory and the book records noticed on physical verification as mentioned in paragraph 2 (a) above were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore clause (a), (b), (c) and (d) are not applicable.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (f) and (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have we been informed of any major weaknesses in the aforesaid internal control procedure.
5. (a) On the basis of our examination of the books of account and according to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered in the said register.
(b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the Public within the meaning of the provisions of Sections 58A and 58AA of the Act.
7. The Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company and hence the question of maintenance of such accounts and records does not arise.
9. (a) According to the information and explanations given to us by Management and on the basis of the examination of the books of account carried out by us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year. There are no undisputed statutory dues outstanding as at 31st March 2012 outstanding for a period of more than six months from the date they became payable.
(b) According to information and explanations given to us by Management and the records of the Company, examined by us, there were no undisputed dues in respect of Sales Tax, Income-Tax, Custom Duty, Wealth-Tax, Excise Duty and Cess not deposited as at 31st March 2012 on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2012. It has not incurred any losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedure and the information and explanations given to us by the Management, we are of the opinion that the Company has not defaulted in repayment of its dues to banks during the year.

12. As per the books and records, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Clause (XIII) of the Order is not applicable as the Company is not a chit fund Company or nidhi/mutual benefit fund/society.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. According to the information given to us and Managements' representation the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
16. On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the Company have been utilized for the purpose for which they were obtained.
17. On the basis of our review of utilization of funds on overall basis and related information and explanations as made available to us and as represented to us by the Management, funds raised on short-term basis have not been used for long-term investments and vice-versa during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures and hence para XIX of the Order is not applicable.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W

A. D. SHENOY
Partner
Membership No. FCA 11549

Place : Mumbai
Date : May 30, 2012

Balance Sheet As At 31st March 2012

Particulars	Note	In Rupees As at 31 st March 2012	In Rupees As at 31 st March 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	47,251,756	47,251,756
Reserves & Surplus	3	449,191,056	385,990,579
		496,442,812	433,242,335
Non Current Liabilities			
Long-term borrowings	4	241,984,335	154,713,903
Deferred Tax Liabilities (Net)	5	28,823,515	18,440,624
Long-Term Liabilities	6	695,840	545,840
		271,503,690	173,700,367
Current Liabilities			
Short-term borrowings	7	350,317,664	284,360,523
Trade Payables	8	72,680,600	88,721,538
Other current liabilities	9	74,205,453	56,029,057
Short-term Provisions	10	26,237,577	41,792,330
		523,441,294	470,903,448
Total Equity & Liabilities		1,291,387,796	1,077,846,150
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets			
Capital Work-in-progress		517,795,625	406,127,990
Non-current investments	12	-	84,072,967
Long Term Loans and Advances	13	29,587,218	27,700,675
		9,657,596	11,219,448
		557,040,439	529,121,080
Current Assets			
Inventories	14	338,106,253	252,292,703
Trade Receivables	15	265,423,513	193,258,512
Cash and Bank Balances	16	55,289,942	15,910,094
Short-term loans and advances	17	73,197,770	85,217,992
Other Current Assets	18	2,329,879	2,045,768
		734,347,357	548,725,069
Total Assets		1,291,387,796	1,077,846,150
Significant Accounting Policies	1		
Notes to Accounts	2-41		

The accompanying notes are an integral part of the financial statements

As Per our attached Report of even date
 For **FORD, RHODES, PARKS & Co.**
 Chartered Accountants
 Firm Registration No. 102860W

A. D. SHENOY
 Partner
 Membership No. FCA 11549

Place : Thane
 Date : May 30, 2012

For and on behalf of the Board

S. L. AGARWAL
 Managing Director

S. M. AGARWAL
 Executive Director

Statement of Profit And Loss For The Year Ended 31st March 2012

Particulars	Note	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Revenue from operations (Gross)	19	1,888,678,204	1,590,689,375
Less: Excise Duty		157,088,492	119,729,736
Net Revenue from Operations		1,731,589,712	1,470,959,639
Other Income	20	7,851,066	509,303
		1,739,440,778	1,471,468,941
Expenses			
Cost of Materials Consumed	21	1,327,091,357	1,096,465,160
(Increase)/decrease in inventories	22	(48,089,831)	(43,080,867)
Employee Benefits Expenses	23	60,121,758	38,365,621
Other Expenses	24	204,483,725	187,037,511
		1,543,607,010	1,278,787,425
Profit before Interest, Depreciation & Tax		195,833,768	192,681,516
Finance Costs	25	74,151,309	52,217,027
Profit before Depreciation & Tax		121,682,459	140,464,489
Depreciation	11	20,110,391	13,914,944
Profit Before Tax		101,572,068	126,549,545
Tax Expense			
Current Tax		18,000,000	33,500,000
Previous Years Tax		1,751,124	(621,970)
Deferred Tax		10,382,891	1,551,055
Total Tax expense		30,134,015	34,429,085
Profit after Tax		71,438,052	92,120,460
Earning Per Equity Share (Face value of ₹ each) Basic & Diluted		3.02	3.90
Significant Accounting Policies &	1		
Notes to Accounts	2-41		

The accompanying notes are an integral part of the financial statement

As Per our attached Report of even date
For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W

A. D. SHENOY
Partner
Membership No. FCA 11549

Place : Thane
Date : May 30, 2012

For and on behalf of the Board

S. L. AGARWAL
Managing Director

S. M. AGARWAL
Executive Director

Cash Flow Statement For The Year Ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
A. Cash flow from Operating Activities		
Net profit before tax as per Statement of Profit & Loss	101,572,069	126,549,545
Adjusted for :		
Depreciation	20,110,391	13,914,944
Unrealised foreign exchange gain on exports	(678,402)	100,880
Unrealised foreign exchange loss on imports	1,033,431	-
Gross Interest Paid (Net of interest Recd. Rs. 1,510,573)	74,151,309	52,197,492
Bad Debt	516,708	-
Loss on sale of Fixed Asset	-	312,229
Dividend Received	(18,773)	(19,535)
Operating Profit before Working Capital Changes	196,686,733	193,055,555
Adjusted for :		
(Increase) / Decrease in Inventories	(85,813,550)	(73,175,858)
(Increase) / Decrease in Trade receivables	(72,003,307)	(35,492,118)
(Increase) / Decrease in Loans & Advances	(1,415,303)	9,833,079
(Increase) / Decrease in Other current Assets	(284,111)	-
Increase / (Decrease) in trade payables & other Liabilities	1,252,027	46,623,701
Cash Generated from Operations	38,422,489	140,844,359
Less : Taxes Paid	(20,253,747)	(37,497,355)
Net Cash generated from Operations	18,168,742	103,347,004
B. Cash flow from Investing Activities		
Investment in Margin deposit	(28,773,131)	(1,403,515)
Sale of Fixed Assets	-	320,000
Purchase of Fixed Assets	(47,705,059)	(165,015,643)
Investment in Res. Flat in thane	(1,886,543)	-
Dividend Received	18,773	19,535
Net Cash Used in Investing Activities	(78,345,961)	(166,079,623)
C. Cashflow from Financing Activities		
Proceeds from cash credit facility	(38,962,154)	124,322,111
short term & long term borrowings	185,354,623	(5,032,136)
Interest Paid	(67,316,205)	(53,631,100)
Dividend paid and tax thereon	(8,292,330)	(8292,330)
Net Cash from Financing Activities	70,783,934	57,366,545
Net Increase / Decrease in cash & cash Equivalents	10,606,716	(5,366,074)
Opening Balance of Cash & Cash Equivalents	8,042,532	13,408,606
Closing Balance of Cash & Cash Equivalents	18,649,248	8,042,532
Components of Cash and Cash Equivalents at the year end		
Balance with Banks		
In Current Account	17,509,209	7,776,616
In Foreign Banks	574,861	148,715
Cash on Hand		
Cash on Hand	323,481	117,201
Cash at Overseas Branch	241,697	-
Total	18,649,248	8,042,532

Notes :

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 as per the Companies (Accounting Standards) Rule, 2006
- Fixed Deposit with bank having more than 12 months maturity are not included in cash and cash equivalents
- Figures in bracket indicates outflows.
- Previous year figures are regrouped and reclassified, wherever necessary.

As Per our attached Report of even date

For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W

A. D. SHENOY
Partner
Membership No. FCA 11549

Place : Thane
Date : May 30, 2012

For and on behalf of the Board

S. L. AGARWAL
Managing Director

S. M. AGARWAL
Executive Director

Note 2 :**SHARE CAPITAL****1. Particulars of Authorised, Issued & Subscribed Capital**

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rs. 2/- each	50,000,000	100,000,000	50,000,000	100,000,000
Total	50,000,000	100,000,000	50,000,000	100,000,000
Issued				
Equity Shares of Rs. 2/- each	23,644,778	47,289,556	23,644,778	47,289,556
Total	23,644,778	47,289,556	23,644,778	47,289,556
Subscribed & Paid up				
Equity Shares of Rs. 2/- each fully paid up	23,625,878	47,251,756	23,625,878	47,251,756
Total	23,625,878	47,251,756	23,625,878	47,251,756

2. Reconciliation of Shares at beginning and at year end

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	23,625,878	47,251,756
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	23,625,878	47,251,756

3. Particulars of Holding Company

Not Applicable

4. Rights, Preference and Restrictions of Share holders

Equity shares of the company has per value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets if any after distribution of all preferential accounts. The distribution will be pro rate to the equity share held by the shareholder.

Apart from right, restrictions and preferences prescribed by the companies Act 1956. The Articles of Association of the company elaborately deal with the above. The reader is requested to refer to respective document for details.

5. Particulars of Shareholders holding 5% or more shares

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Vidya Finvest Pvt. Ltd.	5,644,835	23.89%	5,333,071	22.57%
Pan Emami Cosmed Ltd.	2,250,000	9.52%	2,250,000	9.52%
Shankarlal Agarwal	1,752,016	7.42%	1,707,928	7.23%
Venkatesh Shelter Pvt. Ltd.	1,656,167	7.01%	1,656,167	7.01%
Vitro Commodities Pvt.Ltd.	1,542,939	6.53%	1,542,939	6.53%

6. There are no shares reserved for issue under options and contracts commitments for the sale of shares / disinvestment

7. Particulars of shares issued for consideration other than cash, shares brought back & bonus shares in last 5 years

Particulars	Year (Aggregate No. of Shares)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Equity Shares:					
Fully paid up pursuant to contract (s) without payment being received in cash	-	-	901,786	-	-
Fully paid up by way of bonus shares	-	-	3,150,117	4,725,175	-
Shares bought back	-	-	-	-	-

Pursuant of order of the Honorable High Court, Mumbai during the year 2008-09, 901,786 Equity shares have been issued for the consideration other than cash to amalgamating companies in the Scheme of Amalgamation of Ferroseal India Private Limited, Filarc Engineers Private Limited, Sagar Merchandise Private Limited with GEE Limited.

8. There are no securities convertible into equity and preference share.

9. Particulars of call in arrears by directors and officers of the Company.

Unpaid Calls	Amount
By Directors	NIL
By Officers	NIL

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Note 3 :		
RESERVES & SURPLUS		
Capital Reserve	21,196,428	21,196,428
Capital Subsidy Reserve	2,186,546	2,186,546
Share Premium	93,028,690	93,028,690
Revaluation Reserve	4,646,567	4,646,567
General Reserve		
Balance as per Last Financial Statement	65,561,810	50,561,810
Add : Amount transferred from Surplus in Statement of Profit & Loss	15,000,000	15,000,000
Closing balance	80,561,810	65,561,810
Balance in statement of Profit and Loss		
Balance as per Last Financial Statement	199,370,538	130,542,410
Add : Profit for the year	71,438,053	92,120,458
Less : Appropriations		
Transfer to general reserve	15,000,000	15,000,000
Proposed final equity dividend	7,087,764	7,087,764
Tax on proposed final equity dividend	1,149,813	1,204,566
Total appropriation	23,237,577	23,292,330
Net surplus in statement of Profit & Loss	247,571,015	199,370,538
	449,191,056	385,990,579

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Note 4 :		
LONG-TERM BORROWINGS		
Term Loans- Secured		
Indian Rupee Term Loan from Banks	97,572,204	147,023,865
Foreign Currency Loan from Banks	137,480,444	-
Vehicle Loans from Financial Institutions	5,499,270	6,257,621
	240,551,918	153,281,486
Other Loans and advances		
Deferred Sales Tax Loan	1,432,417	1,432,417
	1,432,417	1,432,417
	241,984,335	154,713,903
Note 5 :		
DEFERRED TAX LIABILITY		
As per Last Financial Statement	18,440,624	16,889,569
Add : Transfer from Statement of Profit & Loss	10,382,891	1,551,055
	28,823,515	18,440,624
Note 6 :		
LONG-TERM LIABILITIES		
Unclaimed Dividend	840	840
Interest Free Deposit from Dealers	695,000	545,000
	695,840	545,840
Note 7 :		
SHORT-TERM BORROWINGS		
Cash Credit with Banks (secured)	245,398,369	284,360,523
Foreign Currency Loan from Banks (secured)	56,441,013	-
Buyer's Credit (secured)	48,478,282	-
	350,317,664	284,360,523
Note 8 :		
TRADE PAYABLES		
Trade payables	64,994,992	82,536,776
Trade payables for capital purchases	7,685,608	6,184,762
	72,680,600	88,721,538
Note 9 :		
OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings	24,096,000	22,471,550
Interest accrued but not due on borrowings	825,287	-
Interest accrued and due on borrowings	3,474,671	2,516,072
Advance from customers	12,804,508	3,863,755
Advance against land	5,500,000	5,500,000
Other payables		
- Other Liabilities	15,767,329	16,203,454
- Duties & taxes payable	11,737,658	5,474,226
	74,205,453	56,029,057

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Note 11:
FIXED ASSETS
(In Rupees)

Description	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	As at 1-4-2011	Additions	Deductions	As at 31-3-2012	Upto 1-4-2011	For the year	Deductions	Upto 31.03.12	As on 31.03.2012	As on 31.03.2011
Tangible Assets										
Freehold Land	50,321,628	-	-	50,321,628	-	-	-	-	50,321,628	50,321,628
Lease hold Land	15,596,085	-	-	15,596,085	377,211	-	-	377,211	15,218,874	15,218,874
Building										
- Factory	173,274,201	45,382,927	-	218,657,128	13,132,584	6,451,091	-	19,583,675	199,073,453	160,141,617
- Office	1,444,519	-	-	1,444,519	440,058	23,546	-	463,604	980,915	1,004,461
Flat at Siddhanchal	3,678,807	-	-	3,678,807	236,907	59,965	-	296,872	3,381,935	3,441,900
Plant and Machinery	160,280,962	80,798,861	-	241,079,823	31,304,443	9,177,177	-	40,481,620	200,598,203	128,976,519
Electrical Equipment	21,397,353	1,216,428	-	22,613,781	2,109,356	1,039,448	-	3,148,804	19,464,977	19,287,957
Furniture	8,478,494	578,912	-	9,057,406	878,982	549,663	-	1,428,645	7,628,761	7,599,512
Office Equipment	3,191,549	260,564	-	3,452,113	916,481	216,114	-	1,132,595	2,319,518	2,275,068
Computers	5,525,861	554,511	-	6,080,372	3,319,473	637,753	-	3,957,226	2,213,146	2,206,388
Motor Cars	18,722,378	2,985,823	-	21,708,201	3,068,352	1,955,635	-	5,023,987	16,684,214	15,654,026
Total Tangible Assets	461,911,837	131,778,026	-	593,689,863	55,783,847	20,110,391	-	75,894,238	517,795,625	406,127,990
Capital Work-in-Progress	84,072,967	-	84,072,967	-	-	-	-	-	-	84,072,967
Grand Total	545,984,804	131,778,026	84,072,967	593,689,863	55,783,847	20,110,391	-	75,894,238	517,795,625	490,200,957
As on 31-03-2011	404,687,107	163,787,586	22,489,889	545,984,804	42,501,442	13,914,944	632,541	55,783,845	490,200,957	365,960,299

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Note 10:		
SHORT-TERM PROVISIONS		
Provision for taxation	18,000,000	33,500,000
Proposed equity dividend	7,087,764	7,087,764
Provision for tax on proposed equity dividend	1,149,813	1,204,566
	26,237,577	41,792,330
Note 12:		
NON-CURRENT INVESTMENTS		
Investments in Properties		
- Land at Haryana	3,640,288	40,288
- Residential Flat in Thane	25,773,328	23,886,785
	29,413,616	27,527,073
Non-trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments (quoted)		
201 (31st March 2011 : 201) equity shares of Rs. 10 each fully paid-up in Gee Shipping Co. Ltd.	6,125	6,125
50 (31st March 2011 : 50) equity shares of Rs. 10 each fully paid-up in Great Offshore Ltd.	1,524	1,524
28 (31st March 2011 : 28) equity shares of Rs. 10 each Fully paid-up in Mahindra Lifespace developers Ltd. (Market value : Rs. 62,752 P.Y.: Rs. 76,499)	853	853
Investment in equity instruments (unquoted)		
2002 (31st March 2011 : 2002) equity shares of Rs. 10 each fully paid-up in The TJSB Bank Ltd.	100,100	100,100
1000 (31st March 2011 : 1000) equity shares of Rs. 10 each fully paid-up in Saraswat Co-op Bank Ltd.	10,000	10,000
Investment in Government securities (unquoted)		
National Savings Certificate	55,000	55,000
	173,602	173,602
	29,587,218	27,700,675
Note 13:		
LONG-TERM LOANS AND ADVANCES		
Capital advances (unsecured, considered good)	1,688,806	4,318,444
Security Deposit at overseas branch	290,158	-
Security Deposits (unsecured, considered good)	7,678,632	6,901,004
	9,657,596	11,219,448

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Note 14:		
INVENTORIES		
(At cost or market value, whichever is lower)		
Raw Material	169,701,510	142,156,803
Packing Material	11,311,323	7,619,758
Work in Process	42,754,590	25,264,848
Finished Goods	95,423,105	64,823,016
Stores, Tools, Dies	18,915,725	12,428,278
	338,106,253	252,292,703
Note 15:		
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
- Debts outstanding for more than 6 months	20,469,476	13,994,649
- Others	244,954,037	179,263,863
	265,423,513	193,258,512
Note 16:		
CASH & BANK BALANCE		
Cash & Cash equivalents		
- Balances with banks	17,509,209	7,776,616
- Balance in foreign banks	574,861	148,715
- Cash at overseas branch	241,697	-
- Cash on hand	323,481	117,201
	18,649,248	8,042,532
Other Bank Balances		
Margin Money deposit	36,640,694	7,867,562
	36,640,694	7,867,562
	55,289,942	15,910,094
Note 17:		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good, recoverable in cash or in kind or for value to be received)		
Employee advances (unsecured, considered good)	2,232,873	2,022,044
Advance to suppliers	14,107,722	9,529,735
Advance income-tax	22,564,481	37,532,946
Balances with statutory/ government authorities	32,385,697	32,219,360
Other advances	1,906,997	3,913,907
	73,197,770	85,217,992
Note 18:		
OTHER CURRENT ASSETS		
Interest Accrued but Not Due on Fixed Deposits	605,403	631,926
Interest Receivable	315,930	34,246
Land held for Sale	134,346	134,346
Earnest Money Deposit	1,274,200	1,245,250
	2,329,879	2,045,768

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Note 19 :		
REVENUE FROM OPERATIONS		
Revenue from Sale of Products		
- Domestic	1,721,070,813	1,422,009,201
- Export	167,607,391	168,680,174
	1,888,678,204	1,590,689,375
Less : Excise Duty Recovered	157,088,492	119,729,736
Revenue from operations (net)	1,731,589,712	1,470,959,639
Note 20 :		
OTHER INCOME		
Other non-operating Income		
- Insurance Claim	52,425	9,443
- Others	827,813	388,351
Exchange Difference (net)	6,970,828	111,509
	7,851,066	509,303
Note 21 :		
COST OF MATERIALS CONSUMED		
Raw Material		
Opening Stock	142,156,803	122,866,777
Add : Purchases	1,290,613,429	1,066,503,371
Less : Closing Stock	169,701,510	142,156,802
	1,263,068,722	1,047,213,346
Packing Material		
Opening Stock	7,619,757	6,329,218
Add : Purchases	67,714,201	50,542,354
Less : Closing Stock	11,311,323	7,619,758
	64,022,635	49,251,814
Total Material Consumed	1,327,091,357	1,096,465,160
Note 22 :		
(INCREASE)/DECREASE IN INVENTORIES		
Opening Stock		
- Finished Goods	64,823,016	39,534,917
- Work-in-Process	25,264,848	7,472,080
	90,087,864	47,006,997
Less : Closing Stock		
- Finished Goods	95,423,105	64,823,016
- Work-in-Process	42,754,590	25,264,848
	138,177,695	90,087,864
	(48,089,831)	(43,080,867)
Note 23 :		
EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus	52,381,287	34,577,209
Contribution to Provident and other Fund	3,768,989	2,056,694
Gratuity Expense	301,633	213,249
Staff Welfare Expenses	3,669,849	1,518,469

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2012

Particulars	In Rupees Year Ended March 2012	In Rupees Year Ended March 2011
Note 24 :		
OTHER EXPENSES		
Manufacturing Expenses		
Approval and Testing Expenses	8,167,989	6,880,160
Power & Fuel	38,237,378	28,654,242
Factory Expenses	16,829,407	16,304,012
Stores Consumed	29,431,272	19,850,070
Excise Duty Paid	5,449,762	2,374,044
Contractual Labour Charges	6,508,512	19,137,509
Repairs & Maintenance	6,400,868	3,142,516
Insurance	845,452	698,212
	111,870,640	97,040,765
Administrative & Selling Expenses		
Auditor's Remuneration	296,205	302,145
Carriage Outwards	30,038,689	26,597,377
Donations	321,150	261,000
Administrative Expenses	882,223	1,300,917
Bad Debts	516,708	402,602
Legal & Professional Charges	8,447,688	12,505,077
Commission	3,297,055	1,305,690
Advertisement & Publicity	317,511	381,486
Marketing Expenses	2,099,302	8,046,474
Rent	1,666,796	269,830
Vehicle Running & Maintenance Expenses	5,591,323	5,420,577
Printing & Stationery	5,003,533	4,855,363
Postage & Courier Expenses	1,056,484	1,328,123
Rates and Taxes	825,689	132,813
Sales Promotion Expenses	9,498,229	4,486,740
Telephone Expenses	2,642,085	2,893,523
Travelling and Conveyance	13,735,225	14,225,534
Loss on Sale of Assets	-	312,229
Miscellaneous Expenses	6,377,240	4,969,246
	92,613,085	89,996,746
	204,483,725	187,037,511
Note 25 :		
FINANCE COSTS		
Interest (net)	61,178,076	49,116,266
Foreign Exchange Fluctuation on Foreign Currency Loans	6,835,104	-
Bank Charges	6,138,129	3,100,761
	74,151,309	52,217,027

Note 1 - Significant Accounting Policies & Notes to the Accounts

ACCOUNTING CONVENTION

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956 read with the Companies (Accounting Standard) Rules, 2006 notified under section 211 (3c) of the Companies Act, 1956, except so far as they relate to insurance claims which are accounted on acceptance or certainty of recovery.

Presentation and disclosure of financial statements

The Company has prepared and presented financial statements in Revised Schedule VI. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balance of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

Fixed Assets and depreciation

Fixed assets are stated at the cost of acquisition except certain items, which have been shown at revalued amount. Direct costs are capitalized until assets are ready to be put to use and are stated net of modvat / cenvat.

The cost of assets not ready for use as at the balance sheet date is disclosed under capital work-in-progress.

In compliance with Accounting Standard (AS) 28 – "Impairment of Assets", the Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Assets are depreciated / amortised, as below, on straight line basis:

- a) Depreciation on leasehold land is provided upto 31.3.1994. No depreciation has been charged on leasehold land in subsequent years.
- b) Leasehold land, buildings and plant & machinery subject to revaluation, is calculated on the respective revalued amounts, over the balance useful life as determined by the valuation experts.
- c) Assets acquired upto 31-3-1987, at the rates specified in the Income Tax Rules prevalent in the respective years. Buildings, plant & machinery and other assets, acquired after 1.4.1987, at the rates specified in Schedule XIV to the Companies Act, 1956.
- d) Depreciation is charged on a proportionate basis for all assets purchased and sold during the period. Individual assets costing less than Rs. 5,000 are depreciated in full in the period of purchase.

Leased Assets

- i. Assets taken on finance lease, including taken on hire purchase arrangements, wherein the Company has an option to acquire the asset, are accounted for as fixed assets in accordance with the Accounting Standard 19 on "Leases", (AS 19).
- ii. Assets taken on lease under which the lessor effectively retains all the risk and rewards of ownership are classified as operating lease. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreement.
- iii. The cost of improvements to lease properties are capitalized and disclosed appropriately.

Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Investments

Long term investments are stated at cost less provision for diminution other than temporary, if any. Current investments are valued at lower of cost and market value.

Inventories

Inventories are valued at lower of cost and net realisable value, cost being ascertained on the following basis:

- a) Raw materials, stores, spares, consumable tools and components: on First in First out (FIFO) formula.
- b) Work-in-process, finished / trading goods include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.
- c) Cost includes taxes and duties and is net of credits under Cenvat / VAT.

Foreign Currency Transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at year end rates. Exchange differences arising on the settlement of transactions and translation of monetary items are recognized as income or expense.

Revenue recognition

- a) Revenue from sale of products is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is net of sales tax/Vat and applicable discounts.
- b) Materials returned/rejected are accounted for in the year of return/rejection.
- c) Export entitlements and other Government grants, if any recognized in the accounts on receipt after the consideration of certainty of their receipt.
- d) Dividend income is recognised when the right to receive the dividend is established.

Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

Employee benefits

- a) Short term employee benefit obligations are estimated and provided for.
- b) Post employment benefits and other long term employee benefits
Defined contribution plans:
Company's contribution to Provident fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to revenue.

Defined Benefit plans:

Company's liability towards gratuity and other retirement benefits are actuarially determined at each balance sheet date and provided with Life Insurance Corporation of India.

Taxes, Duties, etc.

Excise duty has been accounted for in respect of goods cleared and provision has also been made for goods lying in stock at the year-end. This accounting treatment has no impact on the profit for the year.

Taxation

Provision for taxation is made on the basis of estimated taxable income for current accounting year in accordance with Income Tax Act, 1961. Deferred Tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for stock splits.

Derivative Transactions – Equity & Commodities Futures and options

Gains are recognized only on settlement / expiry of derivative instruments.

All open positions are marked to market and unrealized losses are provided for. Unrealized gains, if any, on marked to market are not recognized.

Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Notes to Accounts for the year ended 31st March 2012**26. Contingent liabilities and commitments**

- Guarantees outstanding as at 31st March 2012: Rs. 5,890,216 (31st March 2011: Rs. 1,454,913)
- Foreign LC outstanding as at 31st March 2012: Rs. 9,373,763 (31st March 2011: Rs. 8,841,287)
- Disputed Demands against the Company as at 31st March 2012 (paid under protest and thereby reflecting under Loans and Advances) : Custom Duty: Rs. 1,500,000 (31st March 2011 : Rs. 1,500,000)

27. Secured Loan

- a. Term Loans from Banks are secured by mortgage/hypothecation of related immovable/movable assets of the Company, both present and future. The term loans are repayable in installments spread over 4.5 years and carries interest at 16% p.a. Final repayments are due on August 2016. Amount of term loan repayable within a period of one year is Rs. 240.96 lacs (excluding interest).
- b. Working Capital Loans from Banks are secured by hypothecation of stocks and book debts ranking pari-passu between them as also mortgage/hypothecation of specified immovable and movable fixed assets of the Company ranking pari-passu by way of second charge. The facilities carry interest ranging from 13.70% to 14.25%.
- c. Vehicle Loans are secured by hypothecation of related vehicles. The vehicle loans are repayable in installements spread over 3 to 5 years and carries interest ranging from 9.3% to 12.44%. Final repayments are due from Dec 2013 till November 2014. Amount of term loan repayable within a period of one year is Rs. 25.42 lacs (excluding interest)
- d. During the year, a bank has carved-out Foreign Currency Term Loan (FCTL) facility within the overall term loan facility sanctioned by the bank. However the Company is yet to receive repayment schedule for this carved-out amount of FCTL. Pending formal sanction of repayment schedule the Company is maintaining adequate margin deposit. The carved-out portion of Loan is secured by mortgage/hypothecation of related immovable/movable assets of the Company, both present and future and carries interest ranging from 6.5% to 8.8%.

28. No amount was due for credit to Investor Education & Protection Fund as at 31st March 2012.

29. The amounts due to SSI units as at 31st March 2012 are not outstanding for more than 30 days. The SSI units have been identified by the Company and relied upon by the auditors.

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

30. In the opinion of the management, the current assets, loans & advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

31. The Company has received a show cause notice dated 12th May 2010 demanding Rs. 4.02 Cr. of CENVAT credit on certain imported material, imported in the year 2008-09. Under the instructions from excise authorities the Company has already reversed under protest CENVAT credit of Rs. 3.09 Cr in the earlier year. Pending disposal of the case a sum of Rs. 2.1 Cr. reversed under protest is shown under "Claims against the excise authorities" under the head loans and advances. The Company has replied to the show cause notice and based on the legal opinion, is hopeful of favorable order, as the matter is one of interpretation of law.

32. Details of audit fees paid during the year:

Particulars	F.Y. 2011-12	F.Y. 2010-11
Audit Fees	Rs. 175,000	Rs. 175,000
Tax Audit Fees	Rs. 30,000	Rs. 30,000
Certification & other Fees	Rs. 91,205	Rs. 65,150
Total	Rs. 296,205	Rs. 270,150

33. Unhedged Foreign Exchange Exposure:

Details of Foreign Currency balances not hedged:

Particulars	Foreign Currency Denomination	2011-12		2010-11	
		Foreign Currency Amount	Indian Rupee (equivalent in lacs)	Foreign Currency Amount	Indian Rupee (equivalent in lacs)
Assets (Sundry Debtors)	USD	724,956.82	368.83	1,039,498	468.45
Assets (Advance to Sundry Creditors)	EUR	-	-	4,030.54	2.55
	USD	118,693.65	60.05	95,932	42.83
Assets (Cash & Bank Balance)	USD	103.57	0.05	0.74	0.00
	AED	58,576.82	8.11	12,215.20	1.49
Liabilities (Sundry Creditors)	USD	672	0.34	-	-
Liabilities (Buyers Credit)	EUR	56,186.80	38.13	-	-
Liabilities (Buyers Credit)	USD	877,709.92	446.65	-	-

34. The Company has followed the Accounting Standard on 'Employee Benefits' (AS 15) as amended and the details are as under:-

The Company has funded the gratuity liability through LIC of India. The following actuarial assumptions are followed by LIC.

Actuarial Assumptions:

Mortality Rate	As per 1994-96 LIC mortality tables (Std.)
Withdrawal Rate	Actual during last three years
Salary Escalation Rate	4% for each year
Discounting Rate	Present discounting rate at LIC 8%
Gratuity Benefits	As per Company rules

Gratuity Valuation as per AS-15

Particulars	(₹)
a) Change in Benefit Obligations	
Projected benefit obligations at beginning of the period	2,243,343
Current Service Cost	288,445
Contribution by Plan participants	
Interest Cost	179,387
Benefits Paid	(103,005)
Actuarial (Gain) / loss	(238,319)
Projected benefit obligations at the end of the period	2,368,851
b) Change in Plan Assets	
Plan assets at the beginning of the period at fair value	2,372,815
Contributions	276,170
Expected return of plan assets	218,608
Actuarial Gain / (loss)	-
Benefits Paid	(103,005)
Plan assets at end of the period at fair value	2,764,588

35. Earnings per Share

Basic & Diluted earnings per share	2011-12	2010-11
Profit after taxation as per statement of Profit and Loss	71,438,053	92,120,458
Weighted average number of equity shares outstanding	23,625,878	23,625,878
Basic earnings per share (Face Value of Rs. 2 each)	3.02	3.90

36. Composition of net deferred tax liability

Deferred tax liabilities	As at 1st April, 2011	For the year 2011-12	As at 31st March, 2012
Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	18,440,624	10,382,891	28,823,515

37. Segment Information

The Company is principally engaged in a single business segment viz., welding electrodes and related components. The Company has identified two geographical segments which comprises of Overseas and India. However, overseas segment reporting is not given as the turnover from the said business is less than 10% of the total turnover of the Company. Therefore, segment reporting as per Accounting Standard 17 "Segment Reporting" is not given.

38. Related Party Disclosures

Related Party disclosures, as required by AS-18 "Related Party Disclosures" are given below:-

Relationship

(i) Key management personnel (Whole Time Directors)

Mr. S. L. Agarwal - Managing Director

Mr. S. M. Agarwal - Executive Director

Mr. G. K. Saraf - Executive Director

Mr. M. P. Dhanuka - Executive Director (Marketing)

(ii) Key Management Personnel (Relatives of Directors)

Mr. O.P. Agarwal - Vice President (Marketing)

Mr. Umesh Agarwal - Vice President (Technical)

Mrs. Payal Agarwal - Vice President (Finance)

(iii) Companies where Significant Influence exists (with whom transactions have taken place)

Anant Business Pvt. Ltd

R Shankarlal Sales Pvt. Ltd

Vidya Finvest Pvt. Ltd.

Vitro Commodities Pvt. Ltd.

Bakshi Chempharma Pvt. Ltd.

The following transactions were carried out with related parties in the ordinary course of business:

Particulars	2011-12		2010-11	
	Key management personnel	Companies where significant influence exists	Key management personnel	Companies where significant influence exists
Salaries & Allowances	10,974,766	-	12,126,669	
Purchase		31,325		112,708
Sales		40,988,196		41,904,962

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

39. a) Information regarding managerial remuneration

Statement of Profit & Loss includes managerial remuneration as under

Particulars	2011-12 (₹)	2010-11 (₹)
Salary & Bonus	8,106,932	6,763,342
Perquisites / Allowances	461,842	460,000
Contribution towards Superannuation / Provident Funds	456,000	360,000
Total	9,034,774	7,583,342

Note: The computation of managerial remuneration u/s 198/349 of the Companies Act, 1956 has not been provided as no commission is paid to the Directors.

b) Information regarding payment to relatives of directors

Statement of Profit & Loss includes payment to relatives of directors as under:

Particulars	2011-12 (₹)	2010-11 (₹)
Salary & Bonus	1,759,192	4,004,393
Perquisites / Allowances	80,000	313,334
Contribution towards Superannuation / Provident Funds	100,800	225,600
Total	1,939,992	4,543,327

40. (I) Details of Goods Manufactured/Sales/Stock

Category	Unit Of Measure	Annual Installed Capacity	Annual Production/ Purchase	Opening Stock		Sales		Closing Stock		
				Qty	Value (₹)	Qty	Value (₹)	Qty	Value (₹)	
1	Manufacturing Items	Qty	Qty	Qty	Value (₹)	Qty	Value (₹)	Qty	Value (₹)	
1	Welding Electrodes / Flux	Tonnes	30,000	13,935	588	55,168,627	14,055	1,283,810,335	468	82,605,009
2	Continues Consumable	Tonnes	6,300	5,817	59	7,377,405	5,767	554,544,465	109	10,924,426
3	Silicate	Tonnes	2,400	1,219	-	-	1,219	32,100,881	-	-
4	Welding Equipments	No.	1,000	1,218	77	2,276,984	1,103	18,222,522	192	1,893,670

Notes:

1. The Company's products are exempt from licensing requirements under New Industrial Policy in terms of Notification No. 477(E) dated 25th July, 1991 & F.No.10/43/91-LP dated 2nd August 1991.
2. Opening Stock, Turnover, Closing Stock in respect of goods for resale are included in respective product categories.
3. Installed Capacity data is given for a single standard size production plan.

SUPPLEMENTARY INFORMATION FORMING AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT(Contd.)

Particulars		2011-12		2010-11	
		Quantity	Value (₹)	Quantity	Value (₹)
(II)	Raw Materials Consumed	Kg		Kg	
	Wire	17,659,605	941,315,746	17,616,058	762,544,698
	Chemicals	5,994,644	306,786,878	7,368,555	279,011,894
	Others		14,966,098		56,56,754
			1,263,068,722		1,047,213,346
(III)	Consumption of Imported & Indigenous Raw Material, Stores & Spares				
	Imported		135,503,295		106,072,433
	Indigenous		1,127,691,768		941,140,913
			1,263,068,722		1,047,213,346
(IV)	Percentage of Consumption of Raw Materials & Stores				
	a) Imported		10.75		10.00
	b) Indigenous		89.25		90.00
			100.00		100.00
(V)	Value of Imports on CIF bases				
	Raw material		135,376,953		134,214,756
			135,376,953		134,214,756
(VI)	Expenditure in Foreign Currency				
	a) Travelling & Sales Promotion		1,332,435		4,124,798
	b) Branch Expenses		5,604,727		6,004,669
			6,937,162		10,129,467
(VII)	Earnings in Foreign Currency				
	FOB value of exports		161,122,676		162,018,306
			161,122,676		162,018,306

41. Previous year's figures have been regrouped / rearranged wherever considered necessary, to conform to the current period's presentation.

As per our report of even date annexed

For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W

A. D. SHENOY
Partner
Membership No. FCA 11549

Place : Thane
Date : May 30, 2012

For and on behalf of the Board

S. L. AGARWAL
Managing Director

S. M. AGARWAL
Executive Director

Note 1 (contd.)

I. Balance Sheet Abstract & Company's General Business Profile

(a) Registration Details:			
Registration No.	L99999MH1960PLC011879	State Code	11
Balance Sheet Date	31.03.2012		
(b) Capital raised during the year : (Amount in ₹ Thousands)			
Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private Placement	Nil
(c) Position of mobilisation and deployment of funds : (Amount in ₹ Thousands)			
Total Liabilities		Total Assets	1,291,388
Source of Funds:	1,291,388		
Paid up Capital	47,251	Reserves & Surplus	449,191
Secured Loans	590,869	Unsecured Loans	1,432
Application of Funds:			
Net Fixed Assets	517,795	Investments	29,587
Net Current Assets	587,461	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		
(d) Performance of Company: (Amount in ₹ Thousands)			
Turnover (Gross)*	1,888,678	Total Expenditure	1,543,607
Profit/(Loss) before tax	101,572	Profit/(Loss) after Tax	71,438
after extra-ordinary items			
Basic Earnings per share (₹)	3.02	Dividend Rate	15%
Diluted Earning per share (₹)	3.02		
before extra-ordinary items			
* Including other Income and Export Incentives.			
(e) Generic Names of principal product, services of the Company:			
Item Code No.	83.11	Product Description	Welding Rods

Schedules 1 to 22 annexed to and forming part of the statement of accounts have been duly authenticated.

As per our report of even date annexed

For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W

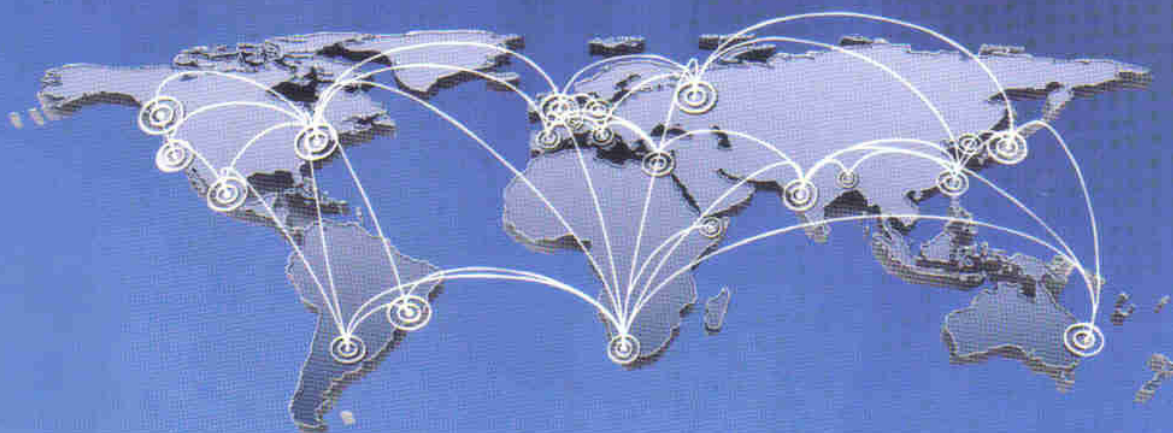
A. D. SHENOY
Partner
Membership No. FCA 11549

Place: Thane
Date : May 30, 2012

For and on behalf of the Board

S. L. AGARWAL
Managing Director

S. M. AGARWAL
Executive Director



GEE LIMITED

Regd. Head Office:

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