

b) Information regarding payment to relatives of directors

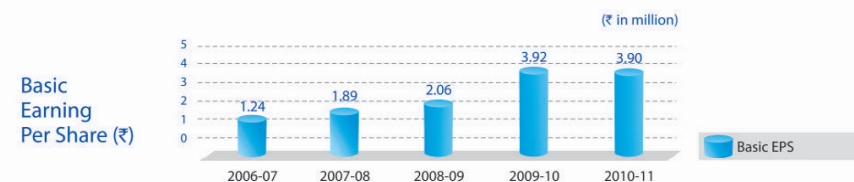
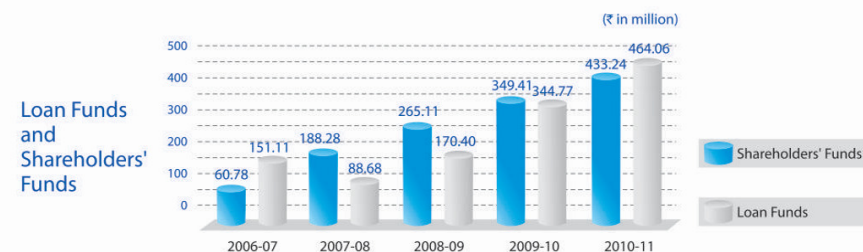
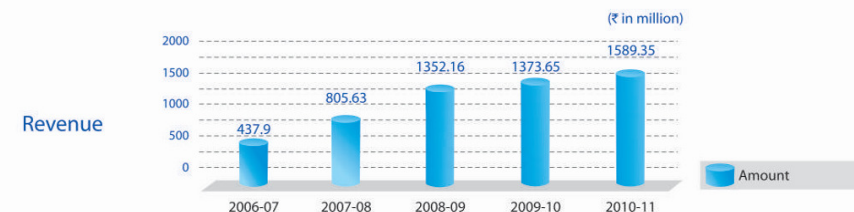
Profit & Loss Account includes payment to relatives of directors as under:

	2010-11 (₹)	2009-10 (₹)
Salary & Bonus	4,004,393	2,804,820
Perquisites/Allowances	313,334	230,658
Contribution towards Superannuation/Provident Funds	225,600	231,229
Total	4,543,327	3,266,707

16. Additional information (pursuant to the provisions of Part II & Part IV of Schedule VI to the Companies Act, 1956)**DETAILS OF GOODS MANUFACTURED/SALES/STOCK**

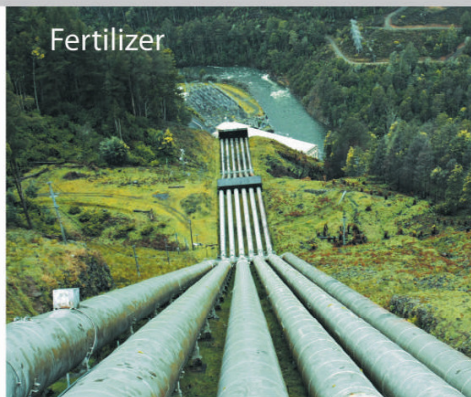
Category	Unit Of Measure	Annual Installed Capacity	Annual Production/ purchase	Opening Stock		Sales		Closing Stock	
				QTY	VALUE(RS.)	QTY	VALUE(RS.)	QTY	VALUE(₹)
1 Welding Electrodes/flux	Tonnes	30,000	16,469	228	31,258,828	16,131	1,197,279,852	566	50,806,725
2 Continuous Consumable	Tonnes	6,300	4,490	94	8,276,089	4,503	365,671,518	81	11,739,307
3 Silicate	Tonnes	2,400	671	-	-	671	14,723,612	-	-
4 Welding Equipment	no.	1,000	681	-	-	604	11,673,043	77	2,276,984

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. The installed capacity is in excess of produced quantity. This is because the FY 2010-11 was the 1st year of commencement of new machine. Most of the machine commissioning took place in the last financial quarter, thereby not having impact on the production levels.

Five Years at a glance



Ship building



Fertilizer



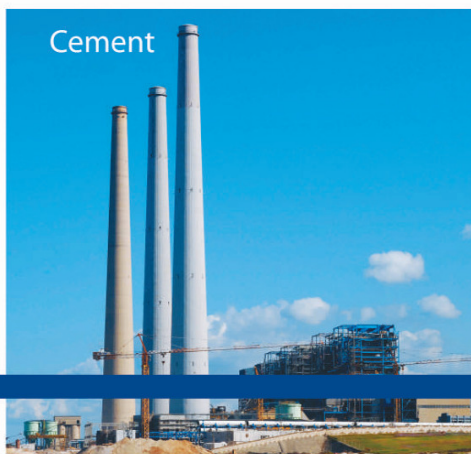
Railways



Automobile



Aircraft Carriers



Cement

13. 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" issued by the Institute of Chartered Accountants of India is not applicable to the Company. Therefore, segment reporting as per Accounting Standard 17 "Segment Reporting".

14. 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. M.P. Dhanuka - Executive Director (Marketing)
Mr. Avinash Saraf - Whole Time Director

ii) Key Management Personnel (Relatives of Directors)

Mr. G.K. Saraf - Chief Executive Officer
Mr. O.P. Agarwal - Vice President (Marketing)
Mr. U. Agarwal - Vice President (Technical)
Mrs. P. 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:

	2010-11		2009-10	
	Key management personnel	Companies where significant influence exists	Key management personnel	Companies where significant influence exists
Salaries & Allowances	12,126,669		10,254,513	-
Purchase	-	112,708	-	129,095
Land Purchase	-	-	-	40,000,000
Sales	-	41,904,962	-	37,473,288
Guarantee obtained for working capital of the Company	-	-	140,000,000	-

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

15. a) Information regarding managerial remuneration

Profit & Loss Account includes managerial remuneration as under:

	2010-11 (₹)	2009-10 (₹)
Salary	6,329,592	5,835,360
Perquisites/Allowances	460,000	738,193
Contribution towards Superannuation/Provident Funds	360,000	414,253
Total	7,583,342	6,987,806

Note: a) 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.

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

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

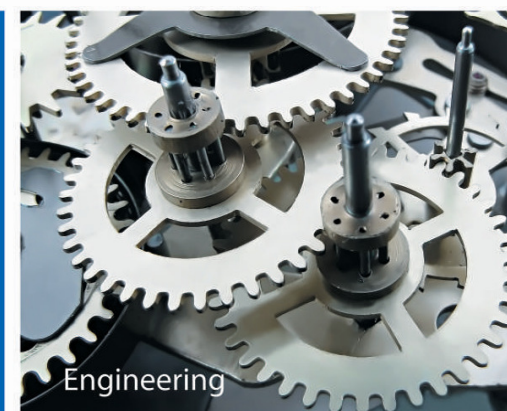
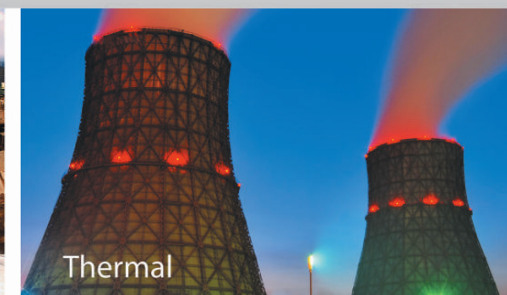
a) Change in Benefit Obligations	₹
Projected benefit obligations at beginning of the period	2,030,704
Current Service Cost	288,445
Contribution by Plan participants	-
Interest Cost	162,456
Benefits Paid	(361,725)
Actuarial (Gain)/loss	122,463
Projected benefit obligations at the end of the period	2,242,343
b) Change in Plan Assets	
Plan assets at the beginning of the period at fair value	2,343,049
Contributions	187,540
Expected return of plan assets	203,951
Actuarial Gain/(loss)	-
Benefits Paid	(361,725)
Plan assets at end of the period at fair value	2,372,815

11. Earnings per Share

Basic & Diluted earnings per share	2010-11	2009-10
Profit after taxation as per Profit and Loss account	92,120,458	92,590,993
Weighted average number of equity shares outstanding	23,625,878	23,625,878
Basic earnings per share (Face Value of ₹ 2 each)	3.90	3.92

12. Composition of net deferred tax liability

Deferred tax liabilities	As at 1st April, 2010	For the year 2010-11	As at 31st March, 2011
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	16,889,569	1,551,055	18,440,624



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 50th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2011.

Financial Results

Key aspects of your Company's financial performance for the year 2010-11 are tabulated below:

	(₹ in million)	
	2010-2011	2009-2010
Sales (Gross) & Other Income	1589.35	1373.65
Profit before Interest & Depreciation	193.57	169.99
Financial Charges	53.11	22.98
Depreciation	13.91	7.93
Profit before Taxes	126.55	139.09
Payment / Provision for Taxes	34.43	46.50
Profit after Taxes	92.12	92.59
Profit brought forward	130.54	61.24
Appropriation to:		
General Reserve	15.00	15.00
Proposed Dividend	7.08	7.08
Tax on Proposed Dividend	1.20	1.20
Profit carried to Balance Sheet	199.37	130.54

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.

Business Operations

During the year under review, the global economy was regaining economic stability after the recession of 2008. Indian economy in this context performed very well with GDP growth of 9% during the last fiscal 2010-11. GEE financial results demonstrated an overall improvement in turnover compared to previous year with a 15% increase in net revenues, from INR 1286 million in 2009-10 to 1472 million in 2010-11. This was largely on account of better customer relations and deals, improved product developments, greater market share and enhanced capacity base due to proposed expansion plans.

The Company completed capex plans of INR 241.76 million and INR 84.07 million are under progress. The entire capacity expansion plans will be completed by 2011-12. However, due to delay in the stipulated drawdown schedule, the State Bank of India revised the original term loan sanction of INR 330 million to utilized amount of INR 132.5 million. Therefore, to fund the ongoing expansion programme, the Company has availed of new term loan facility of INR 100 million from The Thane Janata Sahakari Bank in April 2011.

The Company had to operate in high-cost marketplace with stiff competition. Inflation emerged as the new global economic challenge impacting all industrial sectors. In this backdrop, steel prices rose to record highs during the second half of last fiscal, putting pressure on overall margins of the Company. The industry witnesses severe competition streaks and thereby, your Company could not pass on the increase in raw material to the end consumer. This in turn affected the bottomline negatively; with a sharp 2% fall in PBT, from INR 139 million in 2009-10 to INR 126 million in 2010-11.

High inflationary pressures have led to tightening of monetary policy eventually leading to liquidity crunches and continuously rising interest costs. Your Company also bore the brunt of high interest rates with a steep increase of 2% in financial charges, in turn adversely affecting net profit margins.

2. Notes to Accounts

1. Contingent liabilities and commitments

- Guarantees outstanding as on 31st March 2011: ₹ 1,454,913 (31st March 2010: ₹ 3,523,222)
- Foreign LC outstanding as on 31st March 2011: ₹ 8,841,287 (31st March 2010: ₹ 1,673,914)
- Disputed Demands against the Company as on 31st March 2011 (paid under protest and thereby reflecting under Loans and Advances):
Custom Duty – ₹ 1,500,000 (31st March 2010: ₹ Nil)

2. Secured Loan

- Term Loans from Banks are secured by mortgage/hypothecation of related immovable/movable assets of the Company, both present and future.
- 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.
- Vehicle Loans are secured by hypothecation of related vehicles.

Amount of term loan repayable within a period of one year: ₹ 27,683,100

3. No amount was due for credit to Investor Education & Protection Fund as at 31st March 2011.

4. The amounts due to SSI units as at 31st March 2011 are not outstanding for more than 30 days. The SSI units have been identified by the Company and relied upon by the auditors.

5. 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.

6. 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.

7. The Company has received a show cause notice dated 12th May 2010 demanding ₹ 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 ₹ 3.09 Cr in the earlier year. Pending disposal of the case a sum of ₹ 2.1 Cr. reversed under protest is shown under "Claims against the excise authorities" under the head loans and advances. The company has replied the show cause notice and based on the legal opinion is hopeful of favourable order as the matter is one of interpretation of law.

8. Details of audit fees paid during the year:

Audit Fees – INR 175,000

Tax Audit Fees – INR 30,000

Certification & other Fees – INR 10,000

9. Unhedged Foreign Exchange Exposure:

Details of Foreign Currency balances not hedged:

Particulars	Foreign Currency Denomination	2010-11		2009-10	
		Foreign Currency Amount	Indian Rupee (equivalent in lacs)	Foreign Currency Amount	Indian Rupee (equivalent in lacs)
Assets (Sundry Debtors)	USD	1,039,498	468.45	348,334.63	157.26
Assets (Advance to Sundry Creditors)	EUR	4,030.54	2.55	-	-
	USD	95,932	42.83	68,703.60	30.80
Assets (Bank Balance)	USD	0.74	33.04	3,937.19	175,691.38
	AED	12,215.20	148,681.96	236.80	2,903.10
Liabilities (Sundry Creditors)	EUR	-	-	10,674	6.46

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) Derivative transactions are considered as off Balance Sheet items and cash flows arising there from are recognized in the accounts on their respective settlement as per terms of contract.
- e) Dividend income is recognized 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 earning per share is calculated by dividing the net profit 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.

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.

The highlights and details are discussed under the Management Discussion and Analysis attached as Annexure - D to this report. We are gearing up for the next phase of growth with an enhanced capacity base and a wider array of products to serve the increasing demands and maximise consumer satisfaction.

Diversification Projects

Your Company is still conservative in its approach towards development of IT Park at the Wagle Estate land. As and when the commercial sector prospects improve, the Company would restart the venture.

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 public during the year and as on 31st March 2011, 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. Sujit Sen, Director and Mr. K. M. Panthaki, 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.

Mr. Avinash Saraf, Wholetime Director, has resigned from the Directorship w.e.f. 31.03.2011 owing to personal reasons and Mr. G. K. Saraf has been appointed as Executive Director w.e.f. 01.04.2011.

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 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 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 reappointment. 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

For and on behalf of the Board

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.

Place : Thane
Date : May 30, 2011

S. L. AGARWAL
Managing Director

S. M. AGARWAL
Executive Director

Schedule 22 - Significant Accounting Policies & Notes to the Accounts

1. Significant Accounting Policies

Accounting Convention

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

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.

Advances paid towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are 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:

- Depreciation on leasehold land is provided upto 31.3.1994. No depreciation has been charged on leasehold land in subsequent years.
- 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.
- 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.
- Depreciation is charged on a proportionate basis for all assets purchased and sold during the period. Individual assets costing less than ₹ 5,000 are depreciated in full in the period of purchase.

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:

- Raw materials, stores, spares, consumable tools and components: on First in First out (FIFO) formula.
- Work-in-process, finished / trading goods include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.
- 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.

Schedules Annexed To And Forming Part Of The Financial Statements

	In Rupees As on 31st March 2011	In Rupees As on 31st March 2010
Schedule 18 MANUFACTURING EXPENSES		
Approval and Testing Expenses	6,880,160	5,919,305
Power & Fuel	28,654,242	26,360,246
Factory Expenses	16,304,012	9,942,077
Contractual Labour Charges	19,137,509	18,004,309
Insurance	698,212	838,667
	71,674,134	61,064,604
Schedule 19 PAYMENT TO & PROVISION FOR EMPLOYEES		
Salaries, Wages, Allowances & Bonus	34,577,209	28,726,327
Contribution to Provident & other Funds	2,056,694	2,048,608
Contribution to Group Gratuity Fund	213,249	1,133,009
Workmen and Staff Welfare	1,518,469	2,717,438
	38,365,621	34,625,382
Schedule 20 ADMINISTRATIVE & SELLING EXPENSES		
Auditors Remuneration	302,145	207,303
Carriage Outwards	26,597,377	22,351,887
Donations	261,000	324,710
Administrative Expenses	1,300,917	1,449,357
Bad Debts	402,602	834,476
Legal & Professional charges	12,505,077	19,264,550
Commission	1,305,690	1,788,864
Advertisement & Publicity	381,486	2,804,360
Marketing Expenses	8,046,474	8,164,956
Miscellaneous Expenses	4,969,246	4,692,496
Rent	269,830	155,240
Vehicle Running & Maintenance expenses	5,420,577	3,973,794
Printing & Stationery	4,855,363	3,813,583
Postage & Courier Expenses	1,328,123	1,287,036
Rates and Taxes	132,813	447,000
Repairs and Maintenance		
Plant & Machinery	1,163,850	2,759,235
Building	1,381,771	1,223,511
Office	297,009	55,200
Others	299,886	456,486
Sales Promotion Expenses	4,486,740	6,205,394
Telephone Expenses	2,893,523	2,880,716
Travelling and Conveyance	14,225,534	14,098,563
Loss on sale of Assets	312,229	825,926
	93,139,263	100,064,643
Schedule 21 FINANCE CHARGES		
Interest		
On Term Loans	25,980,533	3,782,614
Others	24,026,288	15,684,616
Bank & L/C charges	3,100,761	3,508,234
	53,107,583	22,975,464

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

	2010-2011	(₹ in million) 2009-2010
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. |

Schedules Annexed To And Forming Part Of The Financial Statements

	In Rupees As on 31st March 2011	In Rupees As on 31st March 2010
Schedule 13		
PROVISIONS		
Taxation	33,500,000	41,500,000
Proposed Dividend	7,087,764	7,087,764
Corporate Tax on Dividend	12,04,566	12,04,566
	41,792,330	49,792,330
Schedule 14		
SALES		
Domestic Sales (Including Excise)	1,422,009,201	1,282,814,861
Export Sales	167,338,824	90,838,984
	1,589,348,025	1,373,653,845
Less: Excise Duty on Sales	116,629,554	87,706,428
Net sales	1,472,718,471	1,285,947,417
Schedule 15		
OTHER INCOME		
Insurance Claim	9,443	11,583
Interest	890,555	923,819
Dividend	19,535	17,813
Miscellaneous	368,816	421,351
	1,288,349	1,374,566
Schedule 16		
INCREASE/(DECREASE) IN STOCK		
Closing 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: Opening Stock		
Finished Goods	39,534,917	31,848,439
Work in Process	7,472,080	9,467,960
	47,006,997	41,316,399
Excise Duty on Closing Stock	5,474,226	3,100,182
	37,606,641	2,590,416
Schedule 17		
MATERIAL CONSUMED		
Raw Material		
Opening Stock	122,866,777	68,976,097
Add: Purchases (Net of group company)	1,065,050,513	922,650,381
	1,187,917,290	991,626,478
Less: Closing Stock	142,156,802	122,866,777
	1,045,760,489	868,759,701
Packing Material		
Opening Stock	6,329,218	5,136,742
Add: Purchases	50,542,354	38,692,141
	56,871,572	43,828,883
Less: Closing Stock	7,619,758	6,329,218
	49,251,814	37,499,665
Stores, Spare Parts, Tools & Dies		
Opening Stock	2,913,853	2,133,184
Add: Purchase	29,364,495	18,682,460
	32,278,348	20,815,644
Less: Closing Stock	12,428,278	2,913,853
	19,850,070	17,901,791
Total Material Consumed	1,114,862,373	924,161,157

Schedules Annexed To And Forming Part Of The Financial Statements

		In Rupees As on 31st March 2011	In Rupees As on 31st March 2010
Schedule 7			
INVESTMENTS			
Non Trade Quoted (Face Value ₹ 10 each)			
GE Shipping Co. Ltd.	No. of shares 201	6,125	6,125
Great Offshore Ltd.	50	1,524	1,524
Mahindra Lifespace Developers Ltd.	28	853	853
		8,502	8,502
Market Value ₹ 76,499 (P.Y. ₹ 90,301)			
UNQUOTED			
The Thane Janata Sahakari Bank Ltd. (Face Value of ₹ 50 each)	2002	100,100	100,100
Saraswat Co-op Bank Ltd. (Face Value of ₹ 10 each)	1000	10,000	10,000
		110,100	110,100
National Savings Certificate			
		15,000	15,000
		133,602	133,602
Schedule 8			
INVENTORIES			
(At cost or market value, whichever is lower)			
Stores, Tools, Dies		12,428,278	2,913,853
Raw Materials		142,156,803	122,866,777
Packing Materials		7,619,758	6,329,218
Finished Goods		64,823,016	39,534,917
Work in Process		25,264,848	7,472,080
		252,292,702	179,116,845
Schedule 9			
SUNDRY DEBTORS			
(Unsecured considered good)			
a) Debts outstanding for a period exceeding six months		13,994,649	8,798,869
b) Others		179,263,863	149,097,098
		193,258,512	157,895,967
Schedule 10			
CASH & BANK BALANCES			
Cash in Hand		117,201	809,733
Balances with Scheduled Banks			
- Current Accounts		7,776,616	11,738,882
- Deposit Accounts		8,499,488	7,145,444
- Foreign Bank Accounts		148,715	178,594
		16,542,020	19,872,653
Schedule 11			
LOANS AND ADVANCES			
(Unsecured, considered good, recoverable in cash or in kind or for value to be received)			
Employee Advances		2,022,044	2,961,236
Tax Advances		37,532,946	40,925,091
Other Advances		5,224,270	9,277,411
Balance with Statutory Authorities		32,219,360	26,864,737
Advance to Suppliers		12,435,816	25,038,393
Application money for Land		102,000	102,000
Earnest Money Deposit		1,176,100	960,075
Other Deposits		7,044,400	6,707,620
		97,756,936	112,836,563
Schedule 12			
CURRENT LIABILITIES			
Sundry Creditors		88,721,538	52,913,708
Other Liabilities		25,567,209	18,753,022
Deposits from Dealers		545,000	180,000
Liabilities for Duties and Taxes		5,474,226	3,100,182
Unclaimed Dividend		840	840
		120,308,813	74,947,752

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, 6 Board Meetings were held on 27.05.10, 26.07.10, 17.08.10, 28.10.10, 25.12.10 and 29.01.11

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	5	Yes	6	2	-	A
2	Mr. S.M. Agarwal	Executive Director	5	Yes	-	2	-	A
3	Mr. G K Saraf*	Executive Director	-	No	3	-	-	A
4	Mr. M.P. Dhanuka	Executive Director (Marketing)	5	Yes	-	-	-	C
5	Mr. Avinash Saraf**	Whole Time Director	1	No	1	-	-	A
6	Mr. Ashok Kumar	Non-executive Director	-	No	-	3	-	B
7	Mr. Sujit Sen	Non-executive Director	1	No	1	3	2	B
8	Mr. Utsav Kapadia	Non-executive Director	-	No	12	-	-	B
9	Mr. K.M. Panthaki	Non-executive Director	3	Yes	1	3	1	B

A. Promoter Directors.

B. Non-executive and independent Directors.

C. Executive and independent Directors.

* Appointed w.e.f. 01.04.2011

** Resigned w.e.f. 31.03.2011

Equity Shares held by Directors

Name of the Director	No. of Equity shares
Mr. S.L. Agarwal	1,707,928
Mr. S.M. Agarwal	398,898
Mr. G. K. Saraf*	197,868
Mr. Utsav Kapadia	93,122

* Appointed w.e.f. 01.04.2011

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 2010-11, four meetings of Audit Committee were held as follows:-

Sl. No.	Name of Director	Status	Meetings attended (Y/N)			
			27.05.10	26.07.10	28.10.10	25.12.10
1	Mr. Sujit Sen	Chairman & Non-executive Independent Director	N	N	N	Y
2	Mr. Ashok Kumar	Non-executive Independent Director	N	N	N	N
3	Mr. K. M. Panthaki	Non-executive Independent Director	Y	Y	Y	N
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

Schedules Annexed To And Forming Part Of The Financial Statements

Schedule 6 FIXED ASSETS	Description	Rate of dep.	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
			As on 1-4-2010	Additions	Deductions	As on 31-3-2011	Upto 1-4-2010	For the year	Upto 31-03-11	As on 31-3-2011
	Freehold Land		50,321,628			50,321,628				50,321,628
	Lease hold Land		15,730,431			15,730,431	377,211		377,211	15,353,220
	Land at Haryana		3,640,288			3,640,288				3,640,288
	Building		134,028,873	39,245,327		173,274,200	8,427,647	4,704,937	13,132,584	160,141,617
	- Factory	3.34%								
	- Office	1.63%	1,444,519			1,444,519	416,512	23,546	440,058	1,004,461
	Flat at Siddhanchal	1.63%	3,678,807			3,678,807	176,942	59,965	236,907	3,441,900
	Plant and Machinery	4.75%	135,617,831	24,706,925	43,794	160,280,962	25,326,958	5,979,566	31,304,443	128,976,519
	Electrical Equipment	4.75%	14,280,614	7,116,739		21,397,353	1,304,859	804,496	2,109,355	19,287,997
	Furniture	6.33%	6,405,521	2,072,973		8,478,494	462,139	416,843	878,982	7,599,512
	Office Equipment	6.33%	2,803,657	387,892		3,191,549	725,006	191,476	916,482	2,275,067
	Computers	16.21%	5,203,586	322,275		5,525,861	2,780,097	539,375	3,319,473	2,206,388
	Motor Cars	9.50%	14,080,866	5,862,487	1,220,975	18,722,378	2,504,071	1,194,741	3,068,351	15,654,027
	Total		387,236,621	79,714,618	1,264,769	465,686,470	42,501,442	13,914,944	55,783,845	409,902,625
	Capital Work-in-Progress									
	Total		408,461,741	187,674,371	22,489,889	573,646,223	42,501,442	13,914,944	55,783,845	517,862,378
	AS ON 31-03-2010		233,164,446	202,509,121	27,211,826	408,461,741	58,544,844	7,931,299	42,501,442	365,960,299

Schedules Annexed To And Forming Part Of The Financial Statements

	In Rupees Year Ended March 2011	In Rupees Year Ended March 2010
Schedule 1		
SHARE CAPITAL		
AUTHORISED: 5,00,00,000 Equity shares of ₹ 2 each (P.Y. 2,50,00,000 Equity Shares of ₹ 2 each)	100,000,000	50,000,000
ISSUED : 2,36,44,778 Equity shares of ₹ 2 each (P.Y. 1,89,19,603 Equity Shares of ₹ 2 each)	47,289,556	47,289,556
SUBSCRIBED and PAID UP : 2,36,25,878 Equity shares of ₹ 2 each fully paid (P.Y. 1,89,00,703 Equity Shares of ₹ 2 each fully paid up)	47,251,756	47,251,756
	47,251,756	47,251,756
Of the above :		
1) 5,95,350 Equity shares have been allotted as fully paid up pursuant to a contract without payment being received in cash.		
2) 87,63,952 Equity shares (P.Y. 40,38,777) have been issued as fully paid up bonus shares by capitalisation of Reserves.		
Schedule 2		
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 Account	50,561,810	35,561,810
Add : Transfer from Profit & Loss A/c	15,000,000	15,000,000
	65,561,810	50,561,810
Profit and Loss Account balance	199,370,538	130,542,410
	385,990,579	302,162,451
Schedule 3		
SECURED LOANS		
Term Loan	172,011,487	178,936,669
Cash Credit	284,360,523	160,038,412
Vehicle Loan - from others	6,257,621	4,364,575
	462,629,632	343,339,656
Schedule 4		
UNSECURED LOANS		
DCSSI-Sales Tax Loan	1,432,417	1,432,417
	1,432,417	1,432,417
Schedule 5		
DEFERRED TAX LIABILITY		
As per Last Account	16,889,569	12,630,819
Add : Transfer from Profit & Loss Account	1,551,055	4,258,750
	18,440,624	16,889,569

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, 2011.

Name of Director	Salary & Perquisites # (₹)	Sitting Fees (₹)	Total
Mr. S.L. Agarwal Managing Director	2,610,000	NIL	2,610,000
Mr. S.M. Agarwal Executive Director	1,449,996	NIL	1,449,996
Mr. G. K. Saraf** Executive Director	2,513,335	NIL	2,513,335
Mr. M.P. Dhanuka Executive Director Marketing	2,799,600	NIL	2,799,600
Mr. Avinash Saraf* Full-time Director	723,746	NIL	723,746
Mr. Utsav Kapadia Director	NIL	NIL	NIL
Mr. K.M.Panthaki Director	NIL	10,000	10,000

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

* Resigned w.e.f. 31.03.2011

** Appointed w.e.f. 01.04.2011

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 complaints of any shareholder.

7. General Body Meetings

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

Year	Date	Time	Venue	Special Resolution Passed
2009-10	17th September, 2010	1.00 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
2007-08	30th September, 2008	3.00 p.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606	3

Details of the Last Three Extra Ordinary General Meetings

Year	Date	Time	Venue
2009-10	NIL	NIL	NIL
2008-09	NIL	NIL	NIL
2007-08	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 2011. 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.

Cash Flow Statement For The Year Ended 31st March 2011

	In Rupees Year Ended March 2011	In Rupees Year Ended March 2010
A. Cash flow from Operating Activities		
Net profit before tax	126,549,543	139,089,850
Adjustments for:		
Depreciation	13,914,944	7,931,299
Unrealised foreign exchange loss	100,880	478,708
Interest paid	53,107,583	22,975,464
Profit on sale of assets	312,229	825,926
Interest received	(890,555)	(923,819)
Dividend Received	(19,535)	(17,813)
Operating profit before working capital changes	193,075,089	170,359,615
Adjustments for:		
Inventories	(73,175,857)	(61,554,422)
Sundry debtors	(35,492,118)	(5,545,987)
Loans and advances	10,465,005	(47,577,574)
Current Liabilities and Sundry Creditor	46,623,701	16,132,306
Income Tax Paid	(37,497,355)	(20,731,106)
Net Cash flow from Operating activities (A)	103,998,464	51,082,832
B. Cash flow from investing activities		
Sale of fixed assets	320,000	2,411,199
Purchase of fixed assets	(165,015,643)	(202,509,121)
Interest Received	890,555	923,819
Dividends Received	19,535	17,813
Net Cash flow from Investing activities (B)	(163,785,554)	(199,156,290)
C. Cash flow from financing activities		
Proceeds from Cash credit facility	124,322,111	26,301,989
Term loan	(5,032,136)	161,256,582
Interest Paid	(54,541,190)	(22,975,464)
Unsecured Loan	-	(13,181,980)
Dividend & Tax thereon Paid	(8,292,330)	(8,292,330)
Net cash flow from Financing Activities ©	56,456,456	143,108,797
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C).	(3,330,633)	(4,964,661)
Cash and cash Equivalents at the beginning of the year	19,872,653	24,837,315
Cash and cash Equivalents at the end of year	16,542,020	19,872,653
	(3,330,633)	(4,964,661)

Notes:

- Above statement has been prepared under indirect method except in case of interest, dividend and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities, as set out in Accounting Standard 3.
- Components of Cash and Cash Equivalents include cash and bank balances in current and deposit account as disclosed under Schedule 10 of the account.
- Additions to fixed assets are stated inclusive of movements of capital work in progress in between beginning and end of the year and treated as part of Investing activities.
- Interest paid includes ₹ 14,33,607/- being interest capitalised and included in fixed assets under schedule 6.
- Figures in brackets indicate outflows.
- Previous year figures are regrouped and reclassified, wherever necessary.

As Per our attached Report of even date

For and on behalf of the Board

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

S. L. AGARWAL
Managing Director

A. D. SHENOY
Partner
Membership No. FCA 11549

S. M. AGARWAL
Executive Director

Place : Thane
Date : May 30, 2011

Profit And Loss Account For The Year Ended 31st March 2011

	SCHEDULE	In Rupees Year Ended March 2011		In Rupees Year Ended March 2010	
INCOME					
Sales (gross)	14	1,589,348,025		1,373,653,845	
Less: Excise Duty		116,629,554	1,472,718,471	87,706,428	1,285,947,417
Other Income	15		1,288,349		1,374,566
Increase /(Decrease) in Stock	16		37,606,641		2,590,416
		1,511,613,461		1,289,912,399	
EXPENDITURE					
Material Consumed	17	1,114,862,373		924,161,157	
Manufacturing Expenses	18	71,674,134		61,064,604	
Payment to & Provision for Employees	19	38,365,621		34,625,382	
Administrative & Selling Expenses	20	93,139,263		100,064,643	
		1,318,041,391		1,119,915,786	
Earnings before Interest, Depreciation & Taxation		193,572,070		169,996,613	
Finance charges (Net)	21	53,107,583		22,975,464	
Profit before Depreciation & Taxation		140,464,487		147,021,149	
Depreciation		13,914,944		7,931,299	
Profit Before Taxation		126,549,543		139,089,850	
Provision for Taxation					
Current Tax		33,500,000		41,500,000	
Previous Years Tax		611,977		740,107	
Previous Years Provision no longer required w/back		(1,233,947)		-	
Deferred Tax		1,551,055		4,258,750	
Profit after Tax		92,120,458		92,590,993	
Balance brought forward		130,542,410		61,243,747	
Profit available for appropriation		222,662,868		153,834,740	
Appropriation					
Transfer to General Reserve		15,000,000		15,000,000	
Proposed Dividend		7,087,764		7,087,764	
Tax on Proposed dividend		1,204,566		1,204,565	
Balance carried to Balance sheet		199,370,538		130,542,410	
		222,662,868		153,834,740	
Earning Per Share (Face value of ₹ 2 each) (in ₹)					
Basic		3.90		3.92	
Diluted		3.90		3.92	
Significant Accounting Policies & Notes forming part of the Financial Statements	22				

As Per our attached Report of even date

For and on behalf of the Board

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

S. L. AGARWAL
Managing Director

A. D. SHENOY
Partner
Membership No. FCA 11549

S. M. AGARWAL
Executive Director

Place : Thane
Date : May 30, 2011

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)	Saturday, September 17, 2011, at 11:30 a.m. at Hotel Satkar Residency, Pokhran Road No. 1, Thane (West)-400604, Mumbai (Maharashtra)
Financial Year	1st April 2010 - 31st March 2011
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 2010-11
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 2011-12(Tentative & subject to change)	1. First Quarter result-31st July, 2011 2. Second Quarter result-31st October, 2011 3. Third Quarter result-31st January, 2012 4. Fourth Quarter result-31st March, 2012 5. Audited yearly result for the year ended March, 2012-End of May 2012
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 lodging, 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

Balance Sheet As At 31st March 2011

	SCHEDULE	In Rupees As at 31st March 2011	In Rupees As at 31st March 2010
I. SOURCES OF FUNDS			
1 Shareholders' Funds			
Share Capital	1	47,251,756	47,251,756
Reserves & Surplus	2	385,990,579	302,162,451
		433,242,335	349,414,207
2 Loan Funds			
Secured Loans	3	462,629,632	343,339,655
Unsecured Loans	4	1,432,417	1,432,417
		464,062,049	344,772,072
3 Deferred Tax Liability (net)	5	18,440,624	16,889,569
TOTAL		915,745,008	711,075,848
II. APPLICATION OF FUNDS			
1 Fixed Assets	6		
Gross Block		465,686,470	387,236,621
Less : Depreciation		55,783,845	42,501,442
Net Block		409,902,625	344,735,179
Add: Capital Work-in-Progress		107,959,753	21,225,121
Total		517,862,378	365,960,300
2 Investments	7	133,602	133,602
3 Current Assets, Loans & Advances			
Inventories	8	252,292,702	179,116,845
Sundry Debtors	9	193,258,512	157,895,967
Cash and Bank Balances	10	16,542,020	19,872,653
Loans and Advances	11	97,756,936	112,836,563
		559,850,170	469,722,028
Less: Current Liabilities & Provisions			
Liabilities	12	120,308,813	74,947,752
Provisions	13	41,792,330	49,792,330
		162,101,143	124,740,082
Net Current Assets		397,749,027	344,981,946
TOTAL		915,745,008	711,075,848

Significant Accounting Policies &
Notes forming part of the Financial Statements

22

As Per our attached Report of even date

For and on behalf of the Board

For **FORD, RHODES, PARKS & Co.**
Chartered Accountants
Firm Registration No. 102860W**S. L. AGARWAL**
Managing Director**A. D. SHENOY**
Partner
Membership No. FCA 11549**S. M. AGARWAL**
Executive DirectorPlace : Thane
Date : May 30, 2011

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, 2011

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, 2010	69.90	57.75	18,047.86	17,276.80
May, 2010	72.85	56.20	17,536.86	15,960.15
June, 2010	60.00	54.00	17,919.62	16,318.39
July, 2010	61.00	54.00	18,237.56	17,395.58
August, 2010	59.50	50.00	18,475.27	17,819.99
September, 2010	65.00	52.55	20,267.98	18,027.12
October, 2010	56.50	47.05	20,854.55	19,768.96
November, 2010	55.00	38.10	21,108.64	18,954.82
December, 2010	48.75	40.20	20,552.03	19,074.57
January, 2011	56.00	41.50	20,664.80	18,038.48
February, 2011	47.00	37.00	18,690.97	17,295.62
March, 2011	41.25	35.00	19,575.16	17,792.17

* Source: BSE Website

15. Distribution of Shareholding as on 31st March, 2011

No. Of Shares	No. of Shareholders	%	No. of Shares	%
Less than 2500	1,700	87.269	775,419	3.282
2501-5000	90	4.620	326,211	1.381
5001-10000	62	3.184	450,343	1.906
10001-15000	19	0.975	243,477	1.031
15001-20000	22	1.129	387,258	1.639
20001-25000	8	0.411	185,365	0.785
25001-50000	10	0.513	355,579	1.505
50001 and above	37	1.899	20,902,226	88.472
Total	1,948	100	23,625,878	100

16. Shareholding Pattern of the Company as on 31st March, 2011:

Category	No. of shares held	%
Promoters, Directors & their relatives and Associates Companies	14,442,151	61.13
Financial Institutions/Insurance Companies	830,076	3.51
Other Bodies Corporate	4,904,113	20.76
Individual	3,444,310	14.57
NRIs	4,971	0.03
Trust	257	0.00
Total	23,625,878	100.00

Place : Thane
Date : May 30, 2011

For and on behalf of the Board

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, 2011 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
Firm Registration No. 102860W

A. D. SHENOY
Partner
Membership No. FCA 11549

Place : Mumbai
Date : May 30, 2011

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 2011 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 2011 on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2011. 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.

Auditors' Report to the Members of GEE Limited

1. We have audited the attached Balance Sheet of GEE Limited, as at 31st March, 2011 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, 2011 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, 2011 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, 2011,
 - 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, 2011

Annexure D to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance and Overview

The year under review saw global economic recovery on a stronger path and turnaround of major economies from the economic meltdown of 2008. India, the third largest economy in Asia, witnessed growth levels of 9% in GDP. This growth was primarily fuelled by infrastructural development and overall economy boost.

However, the impressive growth statistics were marred by record-high inflation levels, with an increase both in consumer demand products and industrial sectors. Steep increase in steel prices, propelled by high coking coal and iron ore prices, caught the welding industry on a wrong note. Steel prices rose especially in the second half of the previous fiscal, adversely impacting the net profit margins.

In line with its aspirations of ongoing growth, the Company's expansion of capacity base of welding electrodes, wires and equipments was almost completed during the year at both Mumbai and Kolkata plants. Gee delivered superior performance across key parameters. The turnover achieved for the year ended 31st March, 2011 was INR 1472 million, a growth of 15% over the previous year. During the year, exports were higher by 84% at INR 167 million. With the Middle East reviving from the slump, project executions are now taking place and therefore, exports are marked to see a growth trend in the next year as well.

The consumption of raw materials to sales increased by 4% from INR 924 million to 1115 million. This was mainly on account of high steel prices; the main raw material component of the welding industry.

Manufacturing expenses and employee cost remained mostly static at 5% and 3% of sales, respectively. Further, administrative cost reduced from 8% to 6% of sales in the current year as compared to the previous year. The decline in administrative expense is an outcome of austere measures taken by the Company to improve profitability and post better margins; making available more funds for expansion projects.

The EBITDA margins remained constant at 13% of net sales at INR 193.57 million in the year under review.

However, to curb the high inflationary pressures challenging the Indian economy, the Government tightened the monetary policy, thereby raising interest rates intermittently. The rise in interest rates put undue pressures on the net profit margins, increasing financial cost by 2%, from 23 million in 2009-10 to 53 million in 2010-11.

Depreciation provision was higher by 75% from INR 7.9 million in 2009-10 to INR 13.91 million in 2010-11.

In this backdrop, Profit after Tax reduced from INR 92.59 million in 2009-10 to INR 92.12 million in 2010-11, 1% decrease in PAT margins to sales.

Outlook, Opportunities and Threats

After two years of unprecedented financial and economic turmoil, economic activity now seems to be appearing on the normal zone. The outlook for the financial year 2011-12 is reasonably positive with most of the major world economies showing signs of absolute recovery. As compared to negative growth figures in 2009-10, U.S. and lot of European economies posted low positive growth numbers. This is a sure comeback from the slack experienced recently.

The Indian economy, as per major institutional reports, is expected to grow by 8.6%-9.2% in the current fiscal 2011-12. In the Union Budget 2011, the government has laid emphasis on the need for spurring infrastructure growth and announced \$1.5 trillion spending splurge over a decade. Industrial growth is moving at a staggering pace and due attention paid to this sector make infrastructural development at par with industrial growth. The government has also increased spending on infrastructure by 23% in the current fiscal. Further, railways is a major catalyst in the socio-economic growth chart of the country. The Union Budget has laid the highest-ever plan outlay for the Railways of USD 12.72 billion. New wagons, express trains and capital expenditure of USD 2.11 has been planned for new railway lines. Such a large number of initiatives will lead to growth in the welding industry.

The industrial output has increased by 7.8% in the last fiscal. Consumption of steel has been on the rise, going up by 10.3% during 2010-11 and special steel usage in engineering industries, such as power generation, petrochemicals and fertilizers is also growing. Major international automobile companies are setting up facilities in India.

The fiscal year ahead, could however, be challenging as the government endeavours to curb inflationary growth. In the scenario of spiraling prices, inflation will have a negative impact on the country's competitiveness and growth sustainability. Inflation has hit almost all goods and services, thereby impacting the overall margins. In turn, fiscal and monetary policies implemented to rein in the market dynamics are resulting in high interest rates, also slowing down the economic growth trajectory.

However, welding industry is bound to be on an upward swing led by buoyancy in the core industries like infrastructure, construction, oil & gas and automobiles. In the years ahead, India will emerge as a major world economy harbouring numerous changes in the world economic order. Steel is considered and will be an essential clog in this development wheel. In this impending robust economic growth, welding industry will also witness adequate impetus.

The overall growth of the economy accelerated by the encouraging statistics and measures offered by the government lead to new business opportunities and exciting times in the years ahead. The domestic environment is conducive for growth and on the back of all these facts; the welding industry will witness a wave of growth, touting to be more promising in the future. The solid wire segment has shown promising growth statistics and your Company looks forward to capture this market share and cater to it efficiently and effectively.

Your Company is investing considerably to provide wider variety of product ranges and services to geographically distributed customers. The Company has evolved significantly over the last few years, reflecting and incorporating diversification in the gamut of products and services offered. To deliver to the change in the consumer pattern, the Company has now ventured into different product lines, by expanding its production base. It has also adopted stricter measures to combat inflationary pressures and is exploring diverse means of financing to reduce its finance cost and leverage debt funds on an optimal level.

While the global economy is certainly better than the previous year, the sustainability of recovery is a matter of concern. The government needs to take imminent decisions to facilitate growth and development. The Company looks forward to reporting on further positive progress at the end of the year.

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 Directors 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 : May 30, 2011

S. L. Agarwal
Managing Director

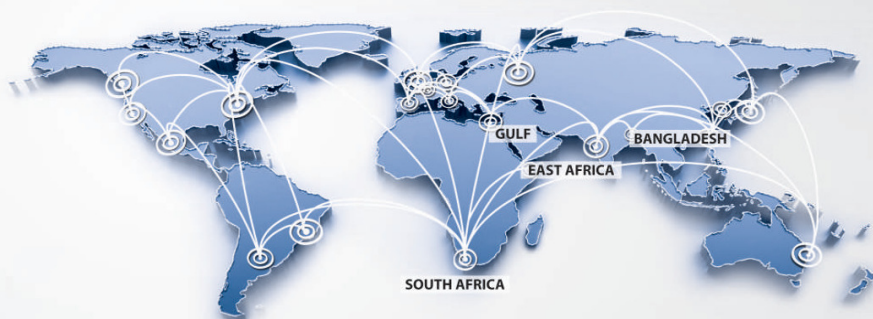
The welding industry further motivates
us to excel and pioneer initiatives that help us
maintain our leadership status in the industry



Awards and Accolades

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

With a strong foothold in Africa, Middle East and subcontinent Asia, GWELD caters to its customer needs through an efficient network system



Worldwide Presence

50 YEARS

50TH ANNUAL REPORT 2010-11

Notes:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

From the Managing Director's Desk

Dear Shareholders,



I have great pleasure in presenting the 50th Annual Report for the year ended 31st March, 2011.

 During the year, the net worth of the Company has increased by ₹ 84 million. It is a matter of satisfaction that amid challenging environment GEE could cross the ₹ 1500 million turnover threshold, registering a growth of 15% over previous year. As such, our performance in 2011 is respectful to completion of 50 years of your Company and a promising start to our next 50 years. Now that we have shown that we can deliver results with consistency, we promise to do so in future with greater endeavours.

GEE growth is directly linked with the overall infrastructural development of the country. With the rise in demand for steel and metal based applications, welding is bound to receive a boost and thereby welding consumables. To meet the diversified consumer needs for different application consumables, we have added various product ranges to our portfolio. Most importantly, we are all well positioned to grow as the economy recovers and gets back on track.

We are very optimistic about the next few years. Inspite of the global meltdown and the Eurozone crisis, India's growth story is inevitable. With a GDP forecast of 8.6%, we will keep growing as the potential is massive and opportunities are abundant. The increase in budgetary allocation towards infrastructural growth in the country, impetus given to the core industries like railways, oil & gas is creating a platform for structural growth phase. With the implementation of the proposed capacity expansion, we are now at an inflection point like never before. GEE is all set to grow manifold in the coming decade.

We are confident about tomorrow and this confidence stems from the fact that we are working passionately towards taking GEE to higher ranks of the 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,

Mr. S. L. Agarwal

Managing Director

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

As a global player, our endeavour
is to move ahead and lead the industry
through innovation, expansion,
diversification and growth



Schedule 22 (contd.)

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

(a) Registration Details:			
Registration No.	L99999MH1960PLC011879	State Code	11
Balance Sheet Date	31.03.2011		
(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	915,745	Total Assets	915,745
Source of Funds:			
Paid up Capital	47,251	Reserves & Surplus	385,990
Secured Loans	462,929	Unsecured Loans	1,432
Application of Funds:			
Net Fixed Assets	517,862	Investments	134
Net Current Assets	397,749	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		
(d) Performance of Company: (Amount in ₹ Thousands)			
Turnover (Gross)*	1,589,348	Total Expenditure	1,318,041
Profit/(Loss) before tax		Profit/(Loss) after Tax	92,120
after extra-ordinary items	126,549		
Basic Earnings per share (₹)	3.90	Dividend Rate	15%
Diluted Earning per share (₹)	3.90		
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 11549Place : Thane
Date : May 30, 2011

For and on behalf of the Board

S. L. AGARWAL
Managing Director**S. M. AGARWAL**
Executive Director

Our plants in Mumbai and Kolkata have the largest floor space in the industry, and is among the biggest production plants in India.



Mumbai Plant



Kolkata Plant

2010-2011 at a Glance



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

		2010-2011		2009-2010		
(II)	Raw Materials Consumed	Qty (Kgs.)	Value (₹)	Qty (Pcs.)	Qty (Kgs.)	Value (₹)
	Wire	17,616,058	761,091,841	27,632	18,914,882	640,216,720
	Chemicals	7,368,555	279,011,894		6,452,884	228,542,981
	Others		56,56,754			
			1,045,760,489			868,759,701
(III)	Consumption of Imported & Indigenous Raw Material, Stores & Spares					
	Imported		106,072,433			179,357,460
	Indigenous		939,688,056			707,304,032
			1,045,760,489			886,661,492
(IV)	Percentage of Consumption of Raw Materials & Stores					
	a) Imported		10.00			21.00
	b) Indigenous		90.00			79.00
			100			100
(V)	Value of Imports on CIF bases					
	Raw material		134,214,756		180,795,615	
			134,214,756		180,795,615	
(VI)	Expenditure in Foreign Currency					
	a) Travelling & Sales Promotion		4,124,798		3,579,457	
	b) Branch Expenses		6,004,669		3,915,233	
			10,129,467		7,494,690	
(VII)	Earnings in Foreign Currency					
	FOB value of exports		162,018,306		88,090,315	
			162,018,306		88,090,315	

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

As per our report of even date annexed

For and on behalf of the Board

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

S. L. AGARWAL
Managing Director

A. D. SHENOY
Partner
Membership No. FCA 11549

S. M. AGARWAL
Executive Director

Place : Thane
Date : May 30, 2011