

53rd

Annual Report 2013-2014



GWELD

SEAL OF TRUST

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

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 53rd Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2014.

Financial Results

Key aspects of your Company's financial performance for the year 2013-14 are tabulated below:-

(₹ in million)

Particular	2013-2014	2012-2013
Sales (Gross) & Other Income	1859.55	2080.01
Profit before Interest & Depreciation	159.54	171.77
Financial Charges	70.74	74.59
Depreciation	25.55	22.88
Profit before Taxes	63.25	74.30
Payment / Provision for Taxes	20.47	27.90
Profit after Taxes	42.78	46.40
Profit brought forward	270.73	247.57
Appropriation to:		
General Reserve	15.00	15.00
Proposed Dividend	7.08	7.08
Tax on Proposed Dividend	1.15	1.15
Profit carried to Balance Sheet	290.28	270.73

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

The Indian economy, performed dismally at 4.8% in the last fiscal. GDP growth estimates were continuously revised downwards and the impact was particularly negative on the manufacturing sector. The net turnover of the Company saw a decline of 10% from INR 1863 million in 2012-13 to INR 1674 million in 2013-14. The Company continued to optimize its resources and controlling cost on all fronts. This stringent control across all departments, led to maintaining the operating margins at 3.8% of the turnover. As discussed in the last fiscal, the Company had taken Foreign Currency denominated loans. During the current fiscal 2013-14, the Company repaid all such loans and all the borrowings of the Company are now in INR. However, the appreciation in US Dollar vis-à-vis the INR led to substantial losses on account of repayment.

In view of the current economic conditions, the Company is not committing significant capital expenditure. The highlights and details are discussed under the Management Discussion and Analysis attached as Annexure - D to this report.

It is expected that with the new Government in office, the economic activity shall pick up. Most of the experts have accelerated growth targets for the current financial year. Your Company is fully geared up to take advantage of upsurge in economy.

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 2014, 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. S. L. Agarwal, Managing Director & Mr. S. M. Agarwal, Executive 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 : June 30, 2014

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

	2013-2014	(₹ in million) 2012-2013
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 30.05.2013, 05.08.2013, 14.11.2013 and 10.02.2014

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	3	2	-	A
2	Mr. S.M. Agarwal	Executive Director	4	Yes	-	2	-	A
3	Mr. G. K. Saraf	Executive Director	1	No	5	-	-	A
4	Mr. M. P. Dhanuka	Executive Director (Marketing)	4	Yes	-	-	-	C
5	Mr. Ashok Kumar	Non-executive Director	-	No	2	3	-	B
6	Mr. Sujit Sen	Non-executive Director	1	Yes	1	3	2	B
7	Mr. Utsav Kapadia	Non-executive Director	-	Yes	10	-	-	B
8	Mr. K.M. Panthaki	Non-executive Director	1	Yes	-	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	1,943,938
Mr. S.M. Agarwal	558,898
Mr. G. K. Saraf	227,611
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 2013-14, four meetings of Audit Committee were held as follows:-

Sl. No.	Name of Director	Status	Meetings attended (Y/N)			
			30.05.13	05.08.13	14.11.13	10.02.14
1	Mr. Sujit Sen	Chairman & Non-executive Independent Director	N	Y	N	N
2	Mr. Ashok Kumar	Non-executive Independent Director	N	N	N	N
3	Mr. K. M. Panthaki	Non-executive Independent Director	N	N	N	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, 2014

Name of Director	Salary & Perquisites # (₹)	Sitting Fees (₹)	Total
Mr. S.L. Agarwal Managing Director	2,694,664	NIL	2,694,996
Mr. S.M. Agarwal Executive Director	1,399,996	NIL	1,399,996
Mr. G. K. Saraf Executive Director	2,594,901	NIL	2,594,901
Mr. M.P. Dhanuka Executive Director Marketing	3,057,000	NIL	3,057,000
Mr. Utsav Kapadia Director	-	5,000	5,000
Mr. K.M.Panthaki Director	-	-	-
Mr. Sujit Sen Director	-	-	-

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
2012-13	14th September, 2013	12.45 p.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606.	0
2011-12	17th September, 2012	04.00 p.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606.	0
2010-11	17th September, 2011	11.30 p.m.	Hotel Satkar Residency, Pokhran Road No.1, Thane(West) 400 606.	0

Details of the Last Three Extra Ordinary General Meetings

Year	Date	Time	Venue
2012-13	NIL	NIL	NIL
2011-12	NIL	NIL	NIL
2010-11	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.38 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 has 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 2014. 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)	Saturday, August 2 nd , 2014 at 2.00 p.m. at Hotel Satkar Residency, Pokhran Rd. No. 1, Thane (W)-400604, Mumbai, Maharashtra
Financial Year	1st April 2013 - 31st March 2014
Dividend for Financial Year 2013-14	The Board of Directors has, subject to the approval of Shareholders at Annual General Meeting, recommended dividend @ 15% for the financial year 2013-14
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 2013-14 (Tentative & subject to change)	1. First Quarter result-31st July, 2014 2. Second Quarter result-31st October, 2014 3. Third Quarter result-31st January, 2015 4. Fourth Quarter result-30th May, 2015 5. Audited yearly result for the year ended March, 2015-End of May 2015
Register & 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 2013	28.00	23.45	19,622.68	18,144.22
May, 2013	25.00	21.50	20,443.62	19,451.26
June, 2013	23.70	22.00	19,860.19	18,467.16
July, 2013	22.95	21.40	20,351.06	19,126.82
August, 2013	21.40	20.00	19,569.20	17,448.71
September, 2013	20.00	18.00	20,739.69	18,166.17
October, 2013	18.90	18.00	21,205.44	19,264.72
November, 2013	18.10	15.90	21,321.53	20,137.67
December, 2013	19.25	16.00	21,483.74	20,568.70
January 2014	24.50	18.50	21,409.66	20,343.78
February, 2014	25.65	20.95	21,140.51	19,963.12
March 2014	25.00	21.10	22,467.21	20,920.98

* Source: BSE Website

15. Distribution of Shareholding as on 31st March, 2014

No. Of Shares	No. of Shareholders	%	No. of Shares	%
Less than 2500	1561	87.402	729,389	3.087
2501-5000	81	4.535	291,869	1.235
5001-10000	55	3.080	387,849	1.642
10001-15000	17	0.952	222,201	0.940
15001-20000	18	1.008	322,415	1.365
20001-25000	8	0.448	182,314	0.772
25001-50000	12	0.672	470,010	1.989
50001 and above	34	1.904	21,019,831	88.970
Total	1786	100.00	23,625,878	100.00

16. Shareholding Pattern of the Company as on 31st March, 2014

Category	No. of shares held	%
Promoters, Directors & their relatives and Associates Companies	16,456,211	69.65
Financial Institutions/Insurance Companies	639,717	2.71
Other Bodies Corporate	2,684,585	11.36
Individual	3,842,980	16.27
NRIs	2,118	0.01
Trust	257	0.00
Total	23,625,878	100.00

For and on behalf of the Board

Place : Thane
Date : June 30, 2014

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, 2014 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.

Place : Mumbai		FORD, RHODES, PARKS & Co.	
Date : June 30, 2014		Chartered Accountants	
1. Name of the Company	1. GEE Limited	2. Name of the Auditor	2. FORD, RHODES, PARKS & Co.
3. Name of the Director	3. Mr. S. S. S. S.	4. Name of the Director	4. Mr. S. S. S. S.
5. Name of the Director	5. Mr. S. S. S. S.	6. Name of the Director	6. Mr. S. S. S. S.
7. Name of the Director	7. Mr. S. S. S. S.	8. Name of the Director	8. Mr. S. S. S. S.
9. Name of the Director	9. Mr. S. S. S. S.	10. Name of the Director	10. Mr. S. S. S. S.
11. Name of the Director	11. Mr. S. S. S. S.	12. Name of the Director	12. Mr. S. S. S. S.
13. Name of the Director	13. Mr. S. S. S. S.	14. Name of the Director	14. Mr. S. S. S. S.
15. Name of the Director	15. Mr. S. S. S. S.	16. Name of the Director	16. Mr. S. S. S. S.
17. Name of the Director	17. Mr. S. S. S. S.	18. Name of the Director	18. Mr. S. S. S. S.
19. Name of the Director	19. Mr. S. S. S. S.	20. Name of the Director	20. Mr. S. S. S. S.
21. Name of the Director	21. Mr. S. S. S. S.	22. Name of the Director	22. Mr. S. S. S. S.
23. Name of the Director	23. Mr. S. S. S. S.	24. Name of the Director	24. Mr. S. S. S. S.
25. Name of the Director	25. Mr. S. S. S. S.	26. Name of the Director	26. Mr. S. S. S. S.
27. Name of the Director	27. Mr. S. S. S. S.	28. Name of the Director	28. Mr. S. S. S. S.
29. Name of the Director	29. Mr. S. S. S. S.	30. Name of the Director	30. Mr. S. S. S. S.
31. Name of the Director	31. Mr. S. S. S. S.	32. Name of the Director	32. Mr. S. S. S. S.
33. Name of the Director	33. Mr. S. S. S. S.	34. Name of the Director	34. Mr. S. S. S. S.
35. Name of the Director	35. Mr. S. S. S. S.	36. Name of the Director	36. Mr. S. S. S. S.
37. Name of the Director	37. Mr. S. S. S. S.	38. Name of the Director	38. Mr. S. S. S. S.
39. Name of the Director	39. Mr. S. S. S. S.	40. Name of the Director	40. Mr. S. S. S. S.
41. Name of the Director	41. Mr. S. S. S. S.	42. Name of the Director	42. Mr. S. S. S. S.
43. Name of the Director	43. Mr. S. S. S. S.	44. Name of the Director	44. Mr. S. S. S. S.
45. Name of the Director	45. Mr. S. S. S. S.	46. Name of the Director	46. Mr. S. S. S. S.
47. Name of the Director	47. Mr. S. S. S. S.	48. Name of the Director	48. Mr. S. S. S. S.
49. Name of the Director	49. Mr. S. S. S. S.	50. Name of the Director	50. Mr. S. S. S. S.
51. Name of the Director	51. Mr. S. S. S. S.	52. Name of the Director	52. Mr. S. S. S. S.
53. Name of the Director	53. Mr. S. S. S. S.	54. Name of the Director	54. Mr. S. S. S. S.
55. Name of the Director	55. Mr. S. S. S. S.	56. Name of the Director	56. Mr. S. S. S. S.
57. Name of the Director	57. Mr. S. S. S. S.	58. Name of the Director	58. Mr. S. S. S. S.
59. Name of the Director	59. Mr. S. S. S. S.	60. Name of the Director	60. Mr. S. S. S. S.
61. Name of the Director	61. Mr. S. S. S. S.	62. Name of the Director	62. Mr. S. S. S. S.
63. Name of the Director	63. Mr. S. S. S. S.	64. Name of the Director	64. Mr. S. S. S. S.
65. Name of the Director	65. Mr. S. S. S. S.	66. Name of the Director	66. Mr. S. S. S. S.
67. Name of the Director	67. Mr. S. S. S. S.	68. Name of the Director	68. Mr. S. S. S. S.
69. Name of the Director	69. Mr. S. S. S. S.	70. Name of the Director	70. Mr. S. S. S. S.
71. Name of the Director	71. Mr. S. S. S. S.	72. Name of the Director	72. Mr. S. S. S. S.
73. Name of the Director	73. Mr. S. S. S. S.	74. Name of the Director	74. Mr. S. S. S. S.
75. Name of the Director	75. Mr. S. S. S. S.	76. Name of the Director	76. Mr. S. S. S. S.
77. Name of the Director	77. Mr. S. S. S. S.	78. Name of the Director	78. Mr. S. S. S. S.
79. Name of the Director	79. Mr. S. S. S. S.	80. Name of the Director	80. Mr. S. S. S. S.
81. Name of the Director	81. Mr. S. S. S. S.	82. Name of the Director	82. Mr. S. S. S. S.
83. Name of the Director	83. Mr. S. S. S. S.	84. Name of the Director	84. Mr. S. S. S. S.
85. Name of the Director	85. Mr. S. S. S. S.	86. Name of the Director	86. Mr. S. S. S. S.
87. Name of the Director	87. Mr. S. S. S. S.	88. Name of the Director	88. Mr. S. S. S. S.
89. Name of the Director	89. Mr. S. S. S. S.	90. Name of the Director	90. Mr. S. S. S. S.
91. Name of the Director	91. Mr. S. S. S. S.	92. Name of the Director	92. Mr. S. S. S. S.
93. Name of the Director	93. Mr. S. S. S. S.	94. Name of the Director	94. Mr. S. S. S. S.
95. Name of the Director	95. Mr. S. S. S. S.	96. Name of the Director	96. Mr. S. S. S. S.
97. Name of the Director	97. Mr. S. S. S. S.	98. Name of the Director	98. Mr. S. S. S. S.
99. Name of the Director	99. Mr. S. S. S. S.	100. Name of the Director	100. Mr. S. S. S. S.

Annexure D to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance and Overview

The Indian economy had another difficult year with GDP growth rates pegged at 4.8% in 2013-14. Prospects of a pick-up in real GDP growth in the second half of the fiscal were dampened by negative growth in industrial production. Thus, economic growth estimates were continuously revised downwards and the impact was seen heavily on the manufacturing sector. The biggest reason for economic slowdown is a vicious cycle involving regulatory delay, judicial in activism and extreme risk aversion in the financial markets. The overall sentiment of the economy was weak and dampened, leading to a slowing down of pace across all sectors. Persistent hardening of interest rates have not helped the corporate sector in procuring funds for planned projects.

In the backdrop of the sluggish economic environment, the Company took a 10% decline in the net turnover, from INR 1863 million in 2012-13 to INR 1674 million in 2013-14. With most of the long gestation projects stalled and regulatory bottlenecks in the mining industry, demand was at an all-time low in 2013-14. Industrial growth was negatively impacted, which had a cascading effect on all sectors of the economy.

Efficient utilization of resources and monitoring material consumption closely also helped in cutting down material consumption cost from 76.15% in 2012-13 to 74.05% in 2013-14.

Employee benefit expense and other expense, both were marginally higher vis-à-vis last year's ratios, at 4% and 12.5% respectively. The Company continues to keep strict internal controls across all departments.

Keeping an eye on the costs led to improving the EBITDA margins slightly compared to last financial year at 9.5%, from INR 172 million in 2012-13 to INR 160 million in 2013-14.

Finance costs, a huge size of the Company's overall costs, were at the same levels, from INR 75 million in 2012-13 to INR 71 million in 2013-14. As discussed earlier, the Company had taken loans in Foreign Currency to save on the interest component. The Company repaid all such loans denominated in Foreign Currency. Therefore, as at the end of the financial year, all the borrowings of the Company are in INR. However, the appreciation in the US Dollar did lead to foreign currency fluctuation loss to the tune of INR 13.45 million as compared to INR 12.38 million in the previous year.

PBT levels were almost in the same range at 3.8% of sales, from INR 74.30 million to INR 63.25 million in the current year. PAT, once again, was maintained at 2.5% of sales, from INR 46.40 million in 2012-13 to INR 42.78 million in 2013-14.

Outlook, opportunities and threats

2013-14 has been a year of dismal performance by the Indian economy. The numbers substantiate the market sentiment. There were apprehensions to take initiatives in all industries. Political instability and policy paralysis were two major hurdles in the road to development.

However, 2014-15 is a year of new leadership, a new beginning in the Indian context. The elections have been a game changer. The recent-ushered political decisiveness can swing medium-term growth in a positive way. Recovery is beginning to show some bright spots. GDP forecasts for 2014-15 are being targeted at 6%.

GDP forecast is driven by a partial unclogging of domestic policy logjam as well as improved global growth prospects. The need for the hour is to hasten pending reforms, improve private sector sentiments by sending a strong signal and paving the way for a phase of healthier growth.

One of the key positive boosters for the economy is stable fuel prices which are expected to create an environment conducive to growth. Stability in steel prices globally is a big positive for the sector. It has been estimated that India's capital goods market can grow from 71.7 billion USD in 2011-12 to 153.3 billion USD by 2016-17. Also, India's per capita consumption of 704 units of power p.a. is miniscule compared to developed countries, indicates sector's potential.

All the above figures show strong reasons for the imperative growth potential in the welding industry. On the other hand, the GDP forecast is premised on continuation of recent reform process. If the assumptions do not play out, growth could be lower. Implementation of stalled projects, debottlenecking of the mining sector and a recovery in industry on higher external demand will definitely aid the economy.

The changing business conditions, evolving consumer preferences, rapid technological innovation and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. This is a challenge posed to most of the corporate. Companies with international presence continue to focus and increase their footprints in the Indian market. This leads to an exciting competition which whets our appetite for quality.

Although, growth processes are beginning to show signs, it is too early to say yet whether we have seen the beginning of a decisive and sustainable recovery. The cost of policy inactions at this stage will be very high for the economy.

We continue our journey of delivering value to our stakeholders through significant investments in quality programs.

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 : June 30, 2014

S.L. Agarwal
Managing Director

Independent Auditor's Report To the members of GEE LIMITED

Report on the Financial Statements for the year ended 31st March, 2014

We have audited the accompanying financial statements of GEE LIMITED ("the Company") which comprise the balance sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2014;
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - iii. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - v. on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm Registration No.102860W

Place: Thane
Date: May 30, 2014

A.D. Shenoy
Partner
Membership No.11549

Annexure to the Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of GEE LIMITED on the financial statements for the year ended 31st March, 2014]

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 appointed a firm of Chartered Accountants for conducting internal audit of the Company for the current financial year. In our opinion the internal audit system is commensurate with its size and nature of its business.
8. We have broadly reviewed the cost accounting records maintained by the company pursuant to the Companies (cost accounting records) Rules 2011, prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 from this year. We are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
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 2014 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 2014 on account of any dispute except the following:

Nature of Statute	Nature of Due	Net Amount	Period	Forum at Dispute is Pending
Central sales Tax Act, 1956	Sales Tax / VAT (Excluding interest & penalty)	10,70,288	2005 - 2006	Deputy Commissioner of Sales Tax (Appeals)
Central sales Tax Act, 1956	Sales Tax / VAT (Excluding interest & penalty)	17,87,188	2008 - 2009	Deputy Commissioner of Sales Tax (Appeals)

10. The Company has no accumulated losses as at 31st March, 2014. It has not incurred any cash 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, 2014

Balance Sheet As At 31st March 2014

Particulars	Note	In Rupees As at 31 st March 2014	In Rupees As at 31 st March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	47,251,756	47,251,756
Reserves & Surplus	3	523,328,613	488,782,364
		570,580,369	536,034,120
Non Current Liabilities			
Long-term borrowings	4	131,546,358	179,040,553
Deferred Tax Liabilities (Net)	5	42,080,135	37,281,220
Long-Term Liabilities	6	1,026,782	802,622
		174,653,275	217,124,395
Current Liabilities			
Short-term borrowings	7	270,768,612	287,105,817
Trade Payables	8	66,398,695	79,473,933
Other current liabilities	9	111,052,888	116,627,494
Short-term Provisions	10	23,737,577	25,237,577
		471,957,772	508,444,821
Total Equity & Liabilities		1,217,191,416	1,261,603,336
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets			
Capital Work-in-progress		499,754,315	514,608,414
Non-current investments	12	5,014,684	3,168,316
Long Term Loans and Advances	13	26,146,932	29,787,218
		14,965,163	13,053,671
		545,881,094	560,617,619
Current Assets			
Inventories	14	302,024,291	311,017,394
Trade Receivables	15	265,710,868	275,003,390
Cash and Bank Balances	16	8,605,954	32,728,818
Short-term loans and advances	17	93,714,000	80,067,260
Other Current Assets	18	1,255,209	2,168,855
		671,310,322	700,985,717
Total Assets		1,217,191,416	1,261,603,336
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, 2014

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 2014

Particulars	Note	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Revenue from operations (Gross)	19	1,857,839,365	2,064,919,440
Less: Excise Duty		184,220,997	201,935,071
Net Revenue from Operations		1,673,618,368	1,862,984,369
Other Income	20	17,10,724	15,096,187
		1,675,329,092	1,878,080,556
Expenses			
Cost of Materials Consumed	21	1,223,675,709	1,433,844,388
(Increase)/decrease in inventories	22	15,777,450	(15,181,427)
Employee Benefits Expenses	23	67,591,163	65,576,505
Other Expenses	24	208,746,065	222,068,989
		1,515,790,387	1,706,308,454
Profit before Interest, Depreciation & Tax		159,538,705	171,772,101
Finance Costs	25	70,741,185	74,591,259
Profit before Depreciation & Tax		88,797,520	97,180,842
Depreciation	11	25,545,050	22,881,499
Profit Before Tax		63,252,470	74,299,343
Tax Expense			
Current Tax		15,500,000	17,000,000
Previous Years Tax		169,723	2,445,167
Deferred Tax		4,798,915	8,457,705
Total Tax expense		20,468,638	27,902,872
Profit after Tax		42,783,832	46,396,471
Earning Per Equity Share (Face value of ₹2 each) Basic & Diluted		1.81	1.97
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

For and on behalf of the Board

S. L. AGARWAL

Managing Director

S. M. AGARWAL

Executive Director

Place : Thane

Date : May 30, 2014

Cash Flow Statement For The Year Ended 31st March 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
A. Cash flow from Operating Activities		
Net profit before tax as per Statement of Profit & Loss	63,252,465	74,299,343
Adjusted for:		
Depreciation	25,545,050	22,881,499
Unrealised foreign exchange gain on exports	510,811	(252,578)
Unrealised foreign exchange loss on imports	(32,456)	(231,875)
Dividend Received	(17,708)	(18,600)
Sundry Balance w/off	(13,296)	(2,235,565)
Gross Interest Paid	57,297,152	74,591,259
Bad Debt	2,625,396	716,369
Loss on sale of Fixed Asset	567,863	736,362
Loss on sale of non current investment	748,087	-
Operating Profit before Working Capital Changes	87,230,899	96,186,871
Adjusted for:		
(Increase) / Decrease in Inventories	150,483,364	170,486,214
(Increase) / Decrease in Trade receivables	8,993,103	27,088,860
(Increase) / Decrease in Loans & Advances	6,169,611	(10,043,668)
(Increase) / Decrease in Other current Assets	(20,420,514)	(12,593,990)
Increase / (Decrease) in trade payables & other Liabilities	913,647	161,023
Increase / (Decrease) in short Term provision	(18,393,229)	50,789,598
Cash Generated from Operations	127,745,988	225,888,038
Less : Taxes Paid	(12,307,451)	(17,116,379)
Net Cash generated from Operations	115,438,537	208,771,300
B. Cash flow from Investing Activities		
Investment in Margin deposit	24,474,997	5,473,058
Sale of Fixed Assets	719,512	2,787,325
Sale of non current Investment	2,892,199	-
Purchase of Fixed Assets	(13,824,693)	(26,386,295)
Investment in Non current Investment	-	(200,002)
Investment in Res. Flat in Thane	17,708	18,600
Dividend Received	-	-
Net Cash Used in Investing Activities	14,279,722	(18,307,314)
C. Cashflow from Financing Activities		
Proceeds from cash credit facility	(2,482,742)	27,852,984
(Repayment) / proceeds short term & long term borrowings	(61,348,657)	(164,951,214)
Interest Paid	(57,297,152)	(62,216,244)
Dividend paid and tax thereon	(8,237,577)	(8,237,577)
Net Cash from Financing Activities	(129,366,128)	(207,552,051)
Net Increase / Decrease in Cash & Cash Equivalents	352,132	(17,088,065)
Opening Balance of Cash & Cash Equivalents	1,561,183	18,649,248
Closing Balance of Cash & Cash Equivalents	1,913,315	1,561,183
Components of Cash and Cash Equivalents at the year end		
Balance with Banks		
In Current Account	1,177,197	185,967
In Foreign Banks	204,014	203,118
Cash / Cheque on Hand	532,104	526,129
Cash on Hand	-	645,969
Cash at Overseas Branch	-	-
Total	1,913,315	1,561,183

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, 2014

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 2014		As at 31 March 2013	
		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 2014		As at 31 March 2013	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Vidya Finvest Pvt. Ltd.	5,796,667	24.54%	5,644,835	23.89%
Shankarlal Agarwal	1,943,938	8.23 %	1,752,016	7.42%
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)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Equity Shares:					
Fully paid up pursuant to contract (s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	47,25,175	-	-	-	-
Shares bought back	-	-	-	-	-

Pursuant to 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 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Note 3 : RESERVES & SURPLUS		
Capital Reserve	21,196,428	21,196,428
Capital Subsidy Reserve	3,618,963	3,618,963
Share Premium	93,028,690	93,028,690
Revaluation Reserve	4,646,567	4,646,567
General Reserve		
Balance as per Last Financial Statement	95,561,810	80,561,810
Add : Amount transferred from Surplus in Statement of Profit & Loss	15,000,000	15,000,000
Closing balance	110,561,810	95,561,810
Balance in statement of Profit and Loss		
Balance as per Last Financial Statement	270,729,901	247,571,015
Add : Profit for the year	42,783,832	46,396,472
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	1,149,813
Total appropriation	23,237,577	23,237,577
Net surplus in statement of Profit & Loss	290,276,156	270,729,910
	523,328,613	488,782,365

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Note 4:		
LONG-TERM BORROWINGS		
Term Loans-Secured		
Indian Rupee Term Loan from Banks	82,271,693	76,909,424
Foreign Currency Loan from Banks	-	86,931,797
Vehicle Loans from Financial Institutions	1,774,665	7,699,332
	84,046,358	171,540,553
Unsecured Loan		
Loan from Corporates	47,500,000	7,500,000
	47,500,000	7,500,000
	131,546,358	179,040,553
Note 5:		
DEFERRED TAX LIABILITY		
As per Last Financial Statement	37,281,220	28,823,515
Add : Transfer from Statement of Profit & Loss	4,798,915	8,457,705
	42,080,135	37,281,220
Note 6:		
LONG-TERM LIABILITIES		
Unclaimed Dividend	-	840
Interest Free Deposit from Dealers	1,026,782	801,782
	1,026,782	802,622
Note 7:		
SHORT-TERM BORROWINGS		
Cash Credit with Banks (secured)	270,768,612	273,251,354
Foreign Currency Loan from Banks (secured)	-	2,570,000
Buyer's Credit (secured)	-	11,284,463
	270,768,612	287,105,817
Note 8:		
TRADE PAYABLES		
Trade payables	59,959,790	74,786,052
Trade payables for capital purchases	6,438,905	4,687,883
	66,398,695	79,473,935
Note 9:		
OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings	70,142,582	51,234,312
Interest accrued but not due on borrowings	-	123,343
Interest accrued and due on borrowings	707,395	-
Advance from customers	5,204,663	34,660,693
Advance against land	-	-
Other payables	16,985,252	15,018,443
- Other Liabilities	18,012,996	15,590,704
- Duties & taxes payable	111,052,888	116,627,494

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2014

Note 11:

FIXED ASSETS

(In Rupees)

Description	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 1-4-2013	Additions	Deductions	As at 31-3-2014	Upto 1-4-2012	For the year	Deductions	Upto 31.03.14	As on 31.03.2014	As on 31.03.2013
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	221,966,960	1,254,429	-	223,221,389	26,704,816	7,202,550	-	33,907,366	189,314,023	195,262,144
- Office	1,444,519	-	-	1,444,519	487,150	23,546	-	510,696	933,823	957,369
Flat at Siddhanchal	3,678,807	-	-	3,678,807	356,837	59,965	-	416,802	3,262,005	3,321,970
Plot and Machinery	251,611,255	7,343,342	-	258,954,597	51,408,683	13,492,985	-	64,901,668	194,052,929	200,202,571
Electrical Equipment	23,116,533	132,547	-	23,249,080	4,242,007	1,074,125	-	5,316,132	17,932,948	18,874,526
Furniture	9,217,096	126,185	-	9,343,281	2,006,691	586,154	-	2,592,845	6,750,436	7,210,405
Office Equipment	3,782,676	242,030	-	4,024,706	1,363,430	244,807	-	1,608,237	2,416,468	2,419,247
Computers	6,457,744	398,901	-	6,856,645	4,646,897	750,659	-	5,397,556	1,459,089	1,810,848
Motor Cars	23,358,311	2,480,893	2,190,419	23,648,785	4,349,480	2,110,258	903,044	5,556,694	18,092,091	19,008,831
Total Tangible Assets	610,551,614	11,978,327	2,190,419	620,339,522	95,943,202	25,545,050	903,044	120,585,208	499,754,315	514,608,414
Capital Work-in Progress	3,168,316	1,846,368	-	5,014,684	-	-	-	-	5,014,684	3,168,316
Grand Total	613,719,930	13,824,694	2,190,419	625,354,205	95,943,202	25,545,050	903,044	120,585,208	504,768,999	517,776,730
As on 31-03-2012	593,689,863	27,036,296	7,006,229	613,719,930	75,894,238	22,881,499	2,832,542	95,943,195	517,776,735	517,795,623

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Note 10 :		
SHORT-TERM PROVISIONS		
Provision for taxation	15,500,000	17,000,000
Proposed equity dividend	7,087,764	7,087,764
Provision for tax on proposed equity dividend	1,149,813	1,149,813
	23,737,577	25,237,577
Note 12 :		
NON-CURRENT INVESTMENTS		
Investments in Properties		
- Land at Haryana	-	3,640,288
- Residential Flat in Thane	25,773,330	25,773,330
	25,773,330	29,413,618
Non-trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments (quoted)		
201 (31st March 2013 : 201) equity shares of Rs. 10 each fully paid-up in Gee Shipping Co. Ltd.	6,125	6,125
50 (31st March 2013 : 50) equity shares of Rs. 10 each fully paid-up in Great Offshore Ltd.	1,524	1,524
28 (31st March 2013 : 28) equity shares of Rs. 10 each Fully paid-up in Mahindra Lifespace developers Ltd. (Market value : Rs. 82,434 P.Y. : Rs. 60,090)	853	853
Investment in equity instruments (unquoted)		
2002 (31st March 2013 : 2002) equity shares of Rs. 10 each fully paid-up in The TJSB Bank Ltd.	100,100	100,100
1000 (31st March 2013 : 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	255,000	255,000
	373,602	373,602
	26,146,932	29,787,220
Note 13 :		
LONG-TERM LOANS AND ADVANCES		
Capital advances (unsecured, considered good)	5,043,881	3,134,089
Security Deposit at overseas branch	290,158	290,158
Security Deposits (unsecured, considered good)	9,631,124	9,629,424
	14,965,163	13,053,671

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Note 14:		
INVENTORIES		
(At cost or market value, whichever is lower)		
Raw Material	131,840,861	130,074,475
Packing Material	11,357,335	9,805,356
Work in Process	31,719,679	36,559,805
Finished Goods	105,820,693	116,799,316
Stores, Tools, Dies	21,285,723	17,778,441
	302,024,291	311,017,393
Note 15:		
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
- Debts outstanding for more than 6 months	39,398,572	14,116,849
- Others	226,312,296	260,886,540
	265,710,868	275,003,389
Note 16:		
CASH & BANK BALANCE		
Cash & Cash equivalents		
- Balances with banks	1,177,197	185,967
- Balance in foreign banks	204,014	203,118
- Cash at overseas branch	-	645,969
- Cash on hand	532,104	526,129
	1,913,315	1,561,183
Other Bank Balances		
Margin Money deposit	6,692,639	31,167,635
	6,692,639	31,167,635
	8,605,954	32,728,818
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)	966,747	2,779,004
Advance to suppliers	24,906,155	12,924,197
Advance income-tax	14,635,294	19,499,835
Balances with statutory/ government authorities	44,877,075	39,227,781
Other advances	8,328,730	5,636,442
	93,714,000	80,067,259
Note 18:		
OTHER CURRENT ASSETS		
Interest Accrued but Not Due on Fixed Deposits	211,289	1,116,415
Interest Receivable	101,034	57,940
Land held for Sale	-	-
Earnest Money Deposit	942,886	994,500
	1,255,209	2,168,855

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Note 19 :		
REVENUE FROM OPERATIONS		
Revenue from Sale of Products		
- Domestic	1,699,054,301	1,828,897,377
- Export	158,785,064	236,022,063
	1,857,839,365	2,064,919,440
Less : Excise Duty Recovered	184,220,997	201,935,071
Revenue from operations (net)	1,673,618,368	1,862,984,369
Note 20 :		
OTHER INCOME		
Other non-operating Income		
- Insurance Claim	201,948	-
- Others	1,093,497	5,852,312
- Sundry Debit & Credit balances w/back	13,296	2,235,566
Exchange Difference (net)	401,983	7,008,308
	1,710,724	15,096,186
Note 21 :		
COST OF MATERIALS CONSUMED		
Raw Material		
Opening Stock	130,115,776	169,701,510
Add : Purchases	1,158,698,514	1,324,378,484
Less : Closing Stock	131,840,861	130,074,475
	1,156,973,428	1,364,005,519
Packing Material		
Opening Stock	9,805,356	11,311,323
Add : Purchases	68,254,259	68,332,903
Less : Closing Stock	11,357,335	9,805,356
	66,702,280	69,838,870
Total Material Consumed	1,223,675,709	1,433,844,389
Note 22 :		
(INCREASE)/DECREASE IN INVENTORIES		
Opening Stock		
- Finished Goods	116,799,316	95,423,105
- Work-in-Process	36,518,505	42,754,590
	153,317,822	138,177,695
Less : Closing Stock		
- Finished Goods	105,820,693	116,799,317
- Work-in-Process	31,719,679	36,559,805
	137,540,372	153,359,122
	15,777,450	(15,181,427)
Note 23 :		
EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus	59,164,390	57,531,376
Contribution to Provident and other Fund	4,466,780	4,429,921
Gratuity Expense	241,965	148,330
Staff Welfare Expenses	3,718,028	3,466,877
	67,591,163	65,576,504

Notes Annexed to and Forming part of the Financial Statement for the year ended 31st March 2014

Particulars	In Rupees Year Ended March 2014	In Rupees Year Ended March 2013
Note 24 :		
OTHER EXPENSES		
Manufacturing Expenses		
Approval and Testing Expenses		
Power & Fuel	7,533,976	8,153,445
Factory Expenses	64,973,296	64,803,496
Stores Consumed	8,940,376	12,650,904
Excise Duty Paid	20,250,393	22,140,819
Contractual Labour Charges	(1,464,829)	1,379,348
Repairs & Maintenance	14,510,150	13,975,742
Insurance	6,588,687	7,568,800
	1,000,907	951,474
	122,332,956	131,624,028
Administrative & Selling Expenses		
Auditor's Remuneration	255,000	172,246
Carriage Outwards	27,776,177	31,114,595
Donations	81,000	219,851
Administrative Expenses	1,513,300	760,382
Bad Debts	2,625,396	716,369
Legal & Professional Charges	13,213,503	11,818,040
Commission	1,786,016	3,394,716
Advertisement & Publicity	416,980	781,579
Marketing Expenses	773,730	1,191,323
Rent	1,897,437	1,707,658
Vehicle Running & Maintenance Expenses	6,079,325	5,714,562
Printing & Stationery	1,502,493	1,844,080
Postage & Courier Expenses	791,671	758,420
Rates and Taxes	790,527	899,492
Sales Promotion Expenses	7,976,287	10,761,849
Telephone Expenses	2,314,368	2,047,855
Travelling and Conveyance	13,585,005	14,316,055
Loss on Sale of Assets	1,315,950	736,362
Miscellaneous Expenses	1,718,944	1,489,528
	86,413,109	90,444,961
	208,746,065	222,068,989
Note 25 :		
FINANCE COSTS		
Interest (net)	51,651,635	55,101,894
Foreign Exchange Fluctuation on Foreign Currency Loans	13,444,033	12,375,015
Bank Charges	5,645,517	7,114,350
	70,741,185	74,591,259

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:

- 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.

Revenue recognition

- 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.
- Materials returned/rejected are accounted for in the year of return/rejection.
- Export entitlements and other Government grants, if any recognized in the accounts on receipt after the consideration of certainty of their receipt.
- 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

- Short term employee benefit obligations are estimated and provided for.
- 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 2014

26. Contingent liabilities and commitments

- Guarantees outstanding as at 31st March 2014: Rs. 5,523,952 (31st March 2013: Rs. 6,374,521)
- Foreign LC outstanding as at 31st March 2014: Rs. 4,687,120 (31st March 2013: Rs. 1,58,22,673)
- Disputed Demands against the Company as at 31st March 2014 (paid under protest and thereby reflecting under Loans and Advances) : Custom Duty – Rs. 1,500,000 (31st March 2013: Rs. 1,500,000)
- Assessment for Sales Tax/Vat for the year 2005-06 and 2008-09 has been completed during the current financial year and the sales tax/vat demand of Rs. 21.70 lacs and Rs. 30.37 Lacs excluding interest and penalty for the year 2005-06 and 2008-09 respectively has been raised for non submission of Central Sales Tax Declaration Forms. The Company has filed appeal for the above mentioned years seeking time for submission of Central Sales Tax Declaration Forms. The management is of the opinion that there will be no liability as pending Central Sales Tax Declaration Forms will be submitted soon. However the company has made payment under protest of Rs. 2,350,000/- which is shown under sundry assets in the Balance Sheet

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 and carried interest @ 13.70% p.a. in the last fiscal. Final repayments are due on August 2016. Amount of term loan repayable within a period of one year is Rs. 664.84 lacs.
- 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 bore interest @ 12.25% in the last fiscal.
- c. Vehicle Loans are secured by hypothecation of related vehicles. The vehicle loans are repayable in installments spread over 3 to 5 years and carries interest ranging from 9.3% to 12.44%. Amount of Vehicle loan repayable within a period of one year is Rs. 36.58 Lacs (excluding interest).
- d. Foreign Currency Term Loan (FCTL) facility, carved out within the overall term loan facility, has been repaid in full in the current financial year.
- e. During the year the company has borrowed money in form of Inter corporate deposit (ICDs) from various parties. The said ICDs are unsecured and bears interest @ 12%p.a.

28. No amount was due for credit to Investor Education & Protection Fund as at 31st March 2014.

29. Based on the information available with the Company, the amounts due to SSI units and suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 to extent identified as at 31st March 2014 are not outstanding for more than 30 days. The SSI and MSME units have been identified by the Company and relied upon by the auditors.

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. 2013-14	F.Y. 2012-13
Audit Fees	Rs. 150,000	Rs. 135,000
Tax Audit Fees	Rs. 30,000	Rs. 20,000
Vat Audit Fees	Rs. 40,000	Rs. 10,000
Certification & other Fees	Rs. 35,000	Rs. 7,246
Total	Rs. 255,000	Rs. 172,246

33. Unhedged Foreign Exchange Exposure

Details of Foreign Currency balances not hedged

Particulars	Foreign Currency Denomination	2013-14		2012-13	
		Foreign Currency Amount	Indian Rupee (equivalent in lacs)	Foreign Currency Amount	Indian Rupee (equivalent in lacs)
Assets (Sundry Debtors)	USD	435,795.00	261.20	588,612.31	319.53
Assets (Advance to Sundry Creditors)	EUR	-	-	743.74	0.52
	USD	32,594.00	19.54	12,149.00	6.60
Assets (Bank Balance)	USD	50.20	0.03	43.70	0.02
	AED	12,293.75	2.01	13550.15	2.01
Assets (Cash Balance)	AED	-	-	43,602.39	6.46
Liabilities (Sundry Creditors)	USD	64,450.00	38.63	80,540.00	43.72
	EUR	-	-	125,097.90	86.94
Liabilities (Buyers Credit)	EUR	-	-	-	-
	USD	-	-	207,874.42	112.84
Liabilities (Advance from Sundry Debtors)	USD	-	-	361.40	0.20

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	2,422,442
Current Service Cost	184,288
Contribution by Plan participants	-
Interest Cost	193,795
Benefits Paid	(289,221)
Actuarial (Gain) / loss	120,790
Projected benefit obligations at the end of the period	2,632,094
b) Change in Plan Assets	
Plan assets at the beginning of the period at fair value	2,796,084
Contributions	-
Expected return of plan assets	175,361
Actuarial Gain / (loss)	-
Benefits Paid	(289,221)
Plan assets at end of the period at fair value	2,682,224

35. Earnings per Share

Basic & Diluted earnings per share	2013-14	2012-13
Profit after taxation as per statement of Profit and Loss	42,783,832	46,396,471
Weighted average number of equity shares outstanding	23,625,878	23,625,878
Basic earnings per share (Face Value of ₹ 2 each)	1.81	1.97

36. Composition of net deferred tax liability

Deferred tax liabilities	As at 1st April, 2013	For the year 2012-14	As at 31st March, 2014
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	37,281,220	4,798,915	42,080,135

37. Segment Information

The Company is engaged in the business of manufacturing Welding electrodes, Copper coated wires, Flux Cored Wires and Welding fluxes and is organisationally managed in two units. Accordingly, the Company has only one business reporting segment. It has customers in India as well as outside India. However, as per AS-26, segment reporting is not required to be furnished.

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)
Mrs. Nirmala Agarwal - Public Relation Officer
Mrs. Sneha Agarwal - Administrative Manager

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

Anant Business Pvt. Ltd.
R Shankarlal Sales 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	2013-14	2012-13
Salaries & Allowances - KMP	9,711,341	9,107,132
Salaries & Allowances - Relative of KMP	2,395,720	2,138,667
Purchase from Companies where significant influence exists	40,467	120,979
Sales to Companies where significant influence exists	22,940,000	44,880,711

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 for the year 2013-14 (Rs. 9,711,341) (2012-13 Rs. 9,107,132)

Note: The computation of managerial remuneration u/s 196/349 of the Companies Act, 1956 has not been provided as no commission is paid to the Director(s).

40. Information regarding payment to relatives of directors

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

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. Welding Electrodes / Flux	Tonnes	30,000	11,812	720	89,724,405	13,240	1,377,269,832	492	71,626,386
2. Continuous Consumable	Tonnes	6,300	5,747	137	16,621,139	5,731	441,398,174	153	21,894,403
3. Silicate	Tonnes	1,400	672	-	-	672	23,082,792	-	-
4. Welding Equipments	No.	1,000	673	520	10,307,177	728	14,088,267	467	11,953,580
5. Spool (Packing Material)	No.	-	-	2659	146,395	-	-	2659	146,395

Notes:

- 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. 10/41/91-LP dated 2nd August 1991.
- Opening Stock, Turnover, Closing Stock in respect of goods for resale are included in respective product categories.
- Installed Capacity data is given for a single standard size production plant.

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

Particulars		2013-14		2012-13	
(II)	Raw Materials Consumed	Quantity	Value (₹)	Quantity	Value (₹)
		Kg		Kg	
	Wire	17,008,801	815,561,237	18,214,188	934,771,490
	Chemicals	6,015,595	330,226,308	5,864,210	405,006,459
	Others		11,185,883	-	24,227,568
			1,156,973,428		1,364,005,518
(III)	Consumption of Imported & Indigenous Raw Material, Stores & Spares				
	Imported		94,240,138		166,316,504
	Indigenous		1,062,733,290		1,197,689,014
			1,156,973,428		1,364,005,518
(IV)	Percentage of Consumption of Raw Materials & Stores		8.15		12.19
	a) Imported		91.85		87.80
	b) Indigenous		100.00		100.00
(V)	Value of Imports on CIF bases		94,240,138		166,316,504
	Raw material		94,240,138		166,316,504
(VI)	Expenditure in Foreign Currency				
	a) Travelling & Sales Promotion		919,931		1,274,432
	b) Branch Expenses		2,402,242		6,533,100
			3,322,173		7,807,532
(VII)	Earnings in Foreign Currency				
	FOB value of exports		155,960,775		202,535,523
			155,960,775		202,535,523

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 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, 2014



GEE LIMITED

Regd. Head Office:

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

Tel: (022) 2582 2620 / 1277 / 8023 / 0679 | Fax: (0091-22) 2582 8938

Email: geeho@geelimited.com

To
The Listing Department
Bombay Stock Exchange Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001

Date : 08.08.2014

Dear Sir,

Sub : Submission of Annual Report for the Financial year 2013-14

Ref : 1) Clause 31 of the Listing Agreement
2) BSE Scrip Code : 504028

With regard to the captioned subject matter and reference quoted above and pursuant to Clause 31(a) of the Listing Agreement, we are submitting Six copies of Annual Report of the Company for the financial year 2013-14 along with Form A mentioned below:

Sr. No.	Particulars	
1	Name of the company	GEE Limited
2	Annual financial statements for the year ended	31 st March 2014
3	Type of Audit observation	Unqualified / Matter of Emphasis
4	Frequency of observation	Whether appeared first time / repetitive / since how long period : Not applicable

This is for your information and records.

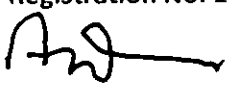
For GEE Limited

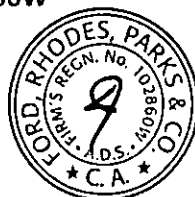

S.L. Agarwal
Managing Director


S.M. Agarwal
Chief Finance Officer


Sujit Sen
Chairman of Audit Committee

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm Registration No. 102860W


A. D. Shenoy
Partner
Membership No. 11549



GEE LIMITED

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