

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**I. INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian Economy grew at approx. 7.27% during the financial year 2018-19 under review, the relevant parameter viz. index of Industrial Production(IIP) continued to show low to moderate figures. Post implementation of GST 2017, the liquidity condition were still stained which posed an adverse impact on the working cycle of the Company.

Steel costs continued to increase during the year under review, driven by increase in the input costs. Other raw material costs also hardened. However, there are very limited alternate procurement options.

The investment cycle in the economy was weak for most part of the year with no significant capital additions in the key customers segments that the company deals with. Infrastructure driven projects continued to remain sluggish.

II. OUTLOOK, OPPORTUNITIES & THREATS

The Financial year 2018-19 has been a year for setting down after introduction of landmark reform policies of GST and demonetization. GDP growth is expected to be around 7.5%.

However rising protectionism caused by US sanctions on countries like Iran may affect world economic growth. The US-China trade war and uncertainties across the globe are all impediments to growth.

India as a rising world economy, has the potential to grow steadfastly backed by fiscal, social and sound investment policies.

The Company expects FY 2019-20 to be better than FY 2018-19 and continue to focus on key matrix to take the company forward in the Challenging environment.

III. FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE:

In this back drop the Company has crossed the threshold of INR 200 crores in FY 2018-19. The net operations grew by around 26% from INR 216.7 crores in the year 2017-18 to INR 274.7 crores EBITDA. However due to strain on raw material prices, consumption costs went up by 3%, thereby exerting pressure on the net margins.

The Company continuously endeavours to improve gross margins through a mix cost control, product pricing and innovation. EBITDA margin changed by 1% from INR 13.8 crores in 2017-18 to INR 14.5 crores in 2018-19.

IV. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The company has adequate internal control system commensurate with the size and nature of business. The policy on internal control and implementation are periodically reviewed internally by the officials of the Company. Company is further aiming to inculcate the internal audit, so as to keep the check on process of internal control system.

Further implementation of SAP (System, Application, Product) for improving the financial and accounting adequacy. The Board has always aimed at keeping high standards of Internal controls.

V. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED.

Your Company continued to have healthy employee relation in all of its establishments throughout the year.

Need based training and programmes were organised for employees that include functional/ technical skills as also soft skills

Number of permanent employees: 355

VI. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS:

Sr. No.	Particular	2018-19	2017-18
1	Debtors Turnover Ratio	5.91	5.02
2	Inventory Turnover Ratio	5.63	5.78
3	Interest Coverage Ratio	1.75	1.95
4	Current Ratio	1.28	1.34
5	Debt Equity Ratio	0.08	0.07
6	Operation Profit Ratio	8.56	5.67
7	Net Profit Ratio	1.05	1.55

VII. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR:

The return on net worth for the year 2018-19 is 1.95% as compared to the financial year 2.34%. Due to stiff economic conditions there has been fall in the return on net worth. However change is not significantly affecting the Company. However Board is positive about increasing the return on net worth in the year 2019-20.

Disclaimer: The information and opinion expressed in this section of the Annual Report may contain certain forward looking statements, which the Management believes are true to the best of its knowledge, at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise, as a result of any action taken on the basis of the information contained herein

For and On behalf of the Board of Directors
GEE Limited

Sd/-
Sanwamal Agarwal
Managing Director
DIN: 01007594