

24th

Annual Report

2017 - 2018

PEETI SECURITIES LIMITED

24th ANNUAL GENERAL MEETING

Friday, 28th September, 2018,
AT 10.00 A.M. at Bhagyanagar
Function Hall, L. B. Nagar,
Hyderabad-500074

| Index | Page |
|---------------------------------------|-------------|
| 1. Corporate Information | 03 |
| 2. Notice | 04 |
| 3. Directors Reports | 06 |
| 5. Auditors Reports | 28 |
| 6. Balance Sheets | 35 |
| 7. Profit & Loss Account | 36 |
| 8. Cash Flow Statement | 37 |
| 9. Notes | 39 |
| 10. Instructions for E-voting Process | 65 |
| 11. Attendance Slip | 67 |
| 12. Proxy Slip | 69 |

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | | |
|-----------------------|---|------------------------------|
| SRI SANDEEP PEETI | : | CHAIRMAN & MANAGING DIRECTOR |
| SRI RAJESH PITY | : | WHOLE- TIME DIRECTOR |
| SMT NISHA PEETI | : | DIRECTOR (WOMEN DIRECTOR) |
| SRI RAJ KUMAR AGRAWAL | : | INDEPENDENT DIRECTOR |
| SRI AJAY GARG | : | INDEPENDENT DIRECTOR |
| SRI RAJEEV PEETI | : | INDEPENDENT DIRECTOR |

VENKATESH ACHANTA

Company Secretary Cum Compliance Officer

Sri. RAJESH PITY

CFO

INTERNAL AUDITORS

Mr.Sandeep Chowdhury

REGISTERED OFFICE & WORKS

Door No. : 7-3-81/1,
OLD KURNOOL ROAD, KATTEDAN
HYDERABAD – 500077
CIN: L67190TG1994PLC018779

BANKERS

HDFC BANK LTD,
SHAMSHABAD,
HYDERABAD - 501218

LISTED AT

THE BSE LIMITED

**REGISTRARS AND SHARE
TRANSFER AGENTS**

CIL SECURITIES LIMITED
IIFLOOR, 214, RAGHAVARATNA
TOWERS CHIRAG ALI LANE
HYDERABAD – 500 001

AUDITORS

For MKPS & Associates

Chartered Accountants
F110, Bhanu Enclave, 1st floor,
Above Maruthi showroom
Erragadda, HYDERABAD – 500 038

BOARD COMMITTEES:

| Audit Committee: | Remuneration Committee: | Stakeholder Relationship Committee: |
|---------------------------------|---------------------------------|--|
| SRI RAJKUMAR AGRAWAL - CHAIRMAN | SRI RAJKUMAR AGRAWAL - CHAIRMAN | SRI RAJKUMAR AGRAWAL - CHAIRMAN |
| SRI RAJEEV PEETI - MEMBER | SRI RAJEEV PEETI - MEMBER | SRI RAJEEV PEETI - MEMBER |
| SRI AJAY GARG - MEMBER | SRI AJAY GARG - MEMBER | SRI AJAY GARG - MEMBER |

Notice

Notice is hereby given that the **24th Annual General Meeting** of the members of the Company will be held on **Friday, 28th September, 2018 at 10.00 A.M. at Bhagyanagar Function Hall, L. B. Nagar, Hyderabad** to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt The audited financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon;
2. To appoint a director in place of Sri Sandeep Peeti (DIN– 00751377), who retires by rotation and being eligible offers himself for re-appointment as a directors in the company;

BY ORDER OF THE BOARD OF DIRECTORS
PEETI SECURITIES LIMITED

Sd/-
SANDEEP PEETI
CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date: 14.08.2018

NOTES TO MEMBERS:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
4. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 22rd September, 2018 to Friday 28th September, 2018 (both day inclusive) for the purpose of 24th Annual General Meeting.
6. Members are requested to quote ledger folio/DP id/client id number in all their correspondence to avoid delay in communication.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to the date of the meeting.

8. Members/Proxies are requested to bring duly filed in attendance slips sent herewith for attending the meeting.
9. Members who hold shares in physical form can nominate a person in respect of all the shares Held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility.

10. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Service (India) Limited (CDSL): It may be noted that this e-voting facility is optional. The e-voting facility will be available at the Company's Website during the following voting period:

COMMENCEMENT OF E - VOTING: From 10.00 A.M. on, Tuesday 25th, September, 2018 to 5.00 P.M. on Thursday 27th, September, 2018

E-voting shall not be allowed beyond 5.00 P.M. on Thursday 27th, September, 2018. During the e-voting period, shareholders of the Company, holding shares either in physical form or demat form, as on 21st September, 2018 may cast their vote electronically

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice.

Those members who have registered their e-mail IDs with the Company are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

11. The Company has appointed Mr. Anand Kumar Kasat Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / STA.

BY ORDER OF THE BOARD OF DIRECTORS
PEETI SECURITIES LIMITED

Sd/-
SANDEEP PEETI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00751377

Place: Hyderabad
Date: 14.08.2018

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting the 24th ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2018

1. FINANCIAL SUMMARY:**FINANCIAL RESULTS**

(` in millions)

| PARTICULARS | YEAR ENDED 31.03.2018 | YEAR ENDED 31.03.2017 |
|------------------------------------|----------------------------------|----------------------------------|
| Revenue From Operations | 203.94 | 193.33 |
| Other Income | 3.88 | 1.01 |
| Total Income | 207.82 | 194.34 |
| Expenditure | 196.60 | 185.32 |
| Interest expense | | - |
| Profit before depreciation and tax | 11.22 | 9.02 |
| Depreciation | 0.76 | 0.53 |
| Net profit before tax | 10.46 | 8.49 |
| Tax | 1.98 | 2.80 |
| Net Profit | 8.48 | 5.69 |

2. STATE OF COMPANY'S AFFAIR:

During the year under review, your company has achieved a total income of Rs. 207.82 million as against previous year's income of Rs. 194.34 million and recorded a net profit of Rs. 8.48 million for the financial year 2017-18 when compared to a net profit of Rs. 5.69 million during the previous year.

3. DIVIDEND

Your Directors do not recommend any Dividend for the Financial Year 2017-2018 as the profits are planned to be ploughed back into the business operations.

4. FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from its member and public during the Financial Year.

5. MEETINGS

During the year under review, five board meetings were held on, 29th May 2017, 14th Sept. 2017, 02nd November 2017, 14th November 2017, 08th February, 2018. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

6. BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 in the following manner:

- i. Structured evaluation forms, as recommended by the Nomination and Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 08th February 2018 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

7. VIGIL MECHANISM

Pursuant to the provisions of section 177 (9) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (meetings of board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI LODR. The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company

8. REMUNERATION POLICY

The Board of Directors, on recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration policy for selection, appointment and remuneration of Directors, KMP and Senior Management and matters covered u/s 178(3) of the Companies Act 2013.

9. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sri Sandeep Peeti (DIN– 00751377) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) (c) of the Companies Act, 2013, and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- i. That in preparation of the Annual Accounts for the year ended 31st March, 2018; all the applicable Accounting Standards Prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- ii. That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2018.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Annual Accounts for the year ended 31st March, 2018, has been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

11. RISK MANAGEMENT

Pursuant to the provisions of section 134 (3) (n) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI(LODR) Regulations, 2015 the Risk management is Not applicable to the Company

12. STATUTORY AUDITORS

The Shareholders in their meeting held on 30th November, 2017 approved the appointment M/s. MKPS & Associates, Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company to hold office till the conclusion of 28th Annual General Meeting.

13. INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee has reappointed Mr. Sandeep Chowdhury, Prop., Chowdhury & Associates, Chartered Accountants, Hyderabad as the Internal Auditors of your Company. The Internal Auditors are submitting their Reports on quarterly basis pursuant to the provisions of section 138 and rule 13 of companies (Accounts) rules, 2014.

14. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per Regulation 23 of SEBI (Listing Obligations & Disclosure Requirement) 2015, for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is referred in Notes to Accounts.

15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy: The present operation of the Company does not involve High-energy consumption. However steps being taken to minimize energy consumption Where ever possible

B. Research & Development: The Research and Development division of Spices oils And Oleoresins department continues to focus on introducing of new brands.

C. Technology Absorption - Not Applicable

D. Foreign Exchange Earnings & Outgo:

| | 2017-18 | (Figures in Rs.) 2016-17 |
|---------------------------|---------|-----------------------------|
| Foreign Exchange Earnings | Nil | Nil |
| Foreign Exchange Outgo | Nil | Nil |

18. MANAGEMENT DISCUSSION AND ANALYSIS:

Aspects of Management Discussion and Analysis are enclosed as “**Annexure – I**” to this report

19. CORPORATE GOVERNANCE:

Since the paid up capital of the Company is less than 10 Crores and the net worth of the Company is less than ` 25 Crores, the provisions of Regulations 17, 18,19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations, 2015, are not applicable to the Company

20. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135 (1) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Corporate social responsibility policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), corporate social responsibility is Not applicable to the Company

21. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed Mr. Jineshwar Kumar Sankhala, a Practicing Company Secretary to undertake the secretarial audit of the Company. The secretarial audit report issued by Mr.Jineshwar Kumar Sankhala, Practicing Company Secretary for the financial year ending 31st March, 2018 is given in the FORM NO: MR - 3 is herewith annexed as “Annexure (II)” attached hereto and forms part of this Report.