

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the **25th ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS**(Rupees in Lakhs)**

PARTICULARS	Year ended (2018-19)	Year ended (2017-18)
Revenue from Operations	2267.04	2039.38
Other Income	9.79	38.76
Total Income	2276.83	2078.14
Expenditure	2163.60	1966.02
Interest expense		
Profit before depreciation and tax	113.23	112.12
Depreciation	3.58	7.55
Net profit before tax	109.65	104.57
Tax	30.48	19.77
Net Profit	79.17	84.8

2. STATE OF COMPANY'S AFFAIR

During the year under review, your company has achieved a total income of Rs. 2276.83 lakhs as against previous year's income of Rs. 2078.14 Lakhs and recorded a net profit of Rs. 79.17 Lakhs for the financial year 2018-19 when compared to a net profit of Rs. 84.8 lakhs during the previous year.

3. DIVIDEND

Your Directors do not recommend any Dividend for the Financial Year 2018-2019 as the profits are planned to be ploughed back into the business operations.

4. 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 the its member and public during the Financial Year.

5. MEETINGS

During the year under review, four board meetings were held on, 18th May 2018, 14th August, 2018, 14th November 2018, and 13th February, 2019. 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 13th February 2019 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 (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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, Mr. Rajesh Pitty (DIN- 00488722) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Ajay Garg, Mr. Rajeev Peeti and Mr. Rajkumar Agrawal who were appointed as the independent directors of the company at the 20th Annual General Meeting of the company for a period of five years i.e. up to 25th Annual General Meeting of the company have completed their term of appointment. Further, pursuant to the provisions of Section 149 of the Companies Act, 2013, the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company hereby recommends the appointment of Mr. Ajay Garg, Mr. Rajeev Peeti and Mr. Rajkumar Agrawal as the Independent Directors of the company for another period of 5 years

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, 2019; 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, 2019.
- 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, 2019, 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. The Board of Directors based on the recommendation of Audit Committee considered the appointment of M/s. MKPS & Associates, Chartered Accountants, Secunderabad (Registration No. 302014E) as Statutory Auditors of the Company from the conclusion of 23rd Annual General Meeting 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:

(Figures in Rs.)

	2018-19	2017-18
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, 2019 is given in the FORM NO: MR - 3 is herewith annexed as "Annexure (II)" attached hereto and forms part of this Report.

22. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed Herewith as "Annexure(III)" to this report

23. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as Annexure-IV. In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of 102 Lakhs or more, or employees who are employed for part of the year and in receipt of 8.5 Lakhs or more per month.

24. ACKNOWLEDGEMENTS:

Your Directors place on record, their appreciation for the co-operation and support from the Bankers, Financial institutions, the Stockiest and distributors, supplier and customers. Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders, Central and State Government agencies etc for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the company.

**BY THE ORDER OF THE BOARD
PEETI SECURITIES LIMITED**

**Sd/-
SANDEEP PEETI**
Chairman & Managing Director
DIN: 00751377

Place: Hyderabad
Date : 14.08.2019