

**24<sup>th</sup>**  

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**Annual Report**  

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**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

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**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:**

<b>Audit Committee:</b>	<b>Remuneration Committee:</b>	<b>Stakeholder Relationship Committee:</b>
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)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2018</b>	<b>YEAR ENDED 31.03.2017</b>
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 the 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.

**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.

**For and on behalf of the Board  
PEETI SECURITIES LIMITED**

Sd/-

**Sandeep Peeti**  
Managing Director  
DIN: 00751377

Sd/-

**Rajesh Pitty**  
Executive Director  
DIN- 00488722

Place : Hyderabad  
Date : 14.08.2018

**MANAGEMENT DISCUSSION AND ANALYSIS****1. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021, according to a report.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

Indian Textile Industry can be divided into several segments, some of which can be listed as below

- Cotton Textiles
- Silk Textiles
- Woolen Textiles
- Readymade Garments
- Hand-crafted Textiles
- Jute and Coir

**2. OPPORTUNITIES AND THREATS:****Opportunities**

- Replacement of the MFA and full integration of textile industry has resulted in huge opportunities for export.
- Increase in consumption pattern across the country along with the rising demand for high quality premium fabrics.
- Large and potential domestic and international market.
- Promising Export Potential.

**Threats**

- Pricing pressure due to opening up of quotas.
- Enhanced competition from other countries.
- Rising production cost from increasing wages, power and interest cost.

**3. SEGMENT –WISE /PRODUCT –WISE:**

The company doesn't have any other segment or products and it is mainly involved in trading of textiles and garments.

**4. RISKS AND CONCERNS:**

Risk is an inherent part of any business. There are various types of risks, that threaten the existence of a company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk, etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

**5. INDUSTRY OUTLOOK:**

Though the company has achieved higher amount of net profit when compared to the last financial year. The board of directors of the company feels that textile sector is fast growing in India, hence due to increasing scope and demand for exports in India, the company at the same parallel will put all the efforts to improve the quality and productive to get more order at competitive rates and try to maintain high quality and productivity in the manufactured goods. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

**6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly.

The Board of Directors has been entrusted with the responsibility of reviewing the findings and to investigate and take necessary actions wherever required

**7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the financial year under review the difficulties which were faced in the last year is not effected much in the financial position of the company and the Company is able to achieve high turnover as Compared to last financial year and due to High turnover and high expenditure the Company has recorded reasonable profits in the current financial year

The Company is hopeful that this fiscal the Company will achieve good turnover as the economy will witness upward trend and good business despite of huge competition in wholesale prices and doing trading with fewer margins to sustain in the market.

**8. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counseling and appropriate empowerment.

The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular investments in upgrading the knowledge and skills of the employees.

**For and on behalf of the Board  
PEETI SECURITIES LIMITED**

Sd/-  
**Sandeep Peeti**  
Managing Director  
DIN: 00751377

Sd/-  
**Rajesh Pitty**  
Executive Director  
DIN- 00488722

Place : Hyderabad  
Date : 14.08.2018

**SECRETARIAL AUDIT REPORT**

For the financial year ended 31st march, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**M/s PEETI SECURITIES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s PEETI SECURITIES LIMITED (hereinafter called the company) having its registered office Door No.7-3-81/1, Old Kurnool Road, Kattedan, Hyderabad, Telangana- 500077. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the audit period)

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the audit period)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the audit period) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable during the audit period) and
- i) The SEBI (Listing Obligations & Disclosure Requirements) 2015, entered into by the Company with Stock Exchange; As Applicable.

Other specifically applicable laws to the Company:

- ◆ Textiles Committee Act, 1963
- ◆ Textiles (Development and Regulation) Order, 2001
- ◆ Textiles (Consumer Protection) Regulations, 1988

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

**We further report that**

- ◆ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ◆ Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- ◆ All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



**We further report that**

- ◆ There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- ◆ There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Place: Hyderabad  
Date: 14.08.2018

**Jineshwar Kumar Sankhala**  
Company Secretary  
M No : 21697  
C P No: 18365

**CHIEF FINANCE OFFICER (CF0) CERTIFICATE:**

I Rajesh Pitty, Chief Finance Officer of M/S Peeti Securities Limited, to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2018.
2. To the best of our knowledge and belief:
  - a. These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
  - b. The financial statements and other financial information included in this report present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5. There has not been any significant change in internal control over financial reporting during the year under reference;
  - a) There has not been any significant changes in accounting policies during the year under reference; and
  - b) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Place: Hyderabad  
Date: 14.08.2018

Rajesh Pitty  
Chief Financial Officer

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**1. REGISTRATION AND OTHER DETAILS:**

CIN:-	L67190TG1994PLC018779
Registration Date	17/11/1994
Name of the Company	PEETI SECURITIES LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/Indian Nongovernment Company
Address of the registered office and contact details:	Door No. : 7-3-81/1, Old Kurnool Road, KATTEDAN, HYDERABAD - 500077. CONTACT NO:9849027040
Whether listed company	Yes
Name, Address and Contact details of Registrar & Transfer Agent, if any	CIL SECURITIES LTD., SECOND FLOOR, 214, RAGHAV RATNA TOWERS, CHIRAG ALI LANE ABIDS, HYDERABAD-500001

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of Main products / Services	NIC Code of The Product/ Service	% to total Turnover of the Company
Textile Trading & Manufacturing through job works	46419	100%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**

S.NO	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
			<b>NIL</b>		

**4. SHARE HOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity)

**A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	832100	245450	1077550	28.73	988200	245450	1233650	32.89	4.16
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	156100	16800	172900	4.61	0	16800	16800	0.45	-4.16
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	<b>988200</b>	<b>262250</b>	<b>1250450</b>	<b>33.34</b>	<b>988200</b>	<b>262250</b>	<b>1250450</b>	<b>33.34</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. INSTITUTIONS									
i) FIs	0	65500	65500	1.75	0	65500	65500	1.75	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>65500</b>	<b>65500</b>	<b>1.75</b>	<b>0</b>	<b>65500</b>	<b>65500</b>	<b>1.75</b>	<b>0</b>
2. Non-Institutions									
a) Bodies Corp.	291074	97500	388574	10.36	283325	97500	380825	10.15	-0.21
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs.2 lakh	479515	1245401	1724916	45.99	493614	1240401	1734015	46.24	0.25
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	134982	184400	319382	8.52	134500	184400	318900	8.50	-0.02
<b>c) Others (specify)</b> Non Resident Indians Clearing Members	1578	0	1578	0.04	710	0	710	0.02	-0.02
<b>Sub-total (B)(2):</b>	<b>907149</b>	<b>1527301</b>	<b>2434450</b>	<b>64.91</b>	<b>912149</b>	<b>1522301</b>	<b>2434450</b>	<b>64.91</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>907149</b>	<b>1592801</b>	<b>2499950</b>	<b>64.91</b>	<b>912149</b>	<b>1587801</b>	<b>2499950</b>	<b>66.66</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>1895349</b>	<b>1855051</b>	<b>3750400</b>	<b>100</b>	<b>1900349</b>	<b>1850051</b>	<b>3750400</b>	<b>100</b>	<b>0</b>

## Peeti Securities Limited

### B) Shareholding of Promoter

SI No.	Shareholders Name	Shares held at the beginning of the year As on 31-March-2017			Shares held at the end of the year As on 31-March-2018			% Change during the year
		No of Shares	%of total shares of the company	% of Shares Pledged /encumbered to total shares	No of Shares	%of total Shares of the company	% of Shares Pledge/ /encumbered to total shares	
1	Purushottam Peeti (HUF)	90550	2.41	-	90550	2.41	-	-
2	Purushottam Peeti	19300	0.51	-	19300	0.51	-	-
3	Rajesh Pitty	269700	7.19	-	269700	7.19	-	-
4	Sandeep Peeti	431300	11.50	-	587400	15.66	-	+4.16
5	Nisha Peeti	98100	2.62	-	98100	2.62	-	-
6	Sumitra Peeti	145800	3.89	-	145800	3.89	-	-
7	Sonika Pitty	22800	0.61	-	22800	0.61	-	-
8	Peeti Holdings Pvt Ltd	172900	4.61	-	16800	0.45	-	-4.16

### C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1250450	33.34	1250450	33.34
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):	<b><i>"No change in promoter's holding"</i></b>			
3	At the end of the year	1250450	33.34	1250450	33.34

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shares held at the beginning of the year		Cumulative Shareholding During the year	
		No of Shares	%of total shares of the company	No of Shares	%of total Shares of the company
1	Arihants Securities Limited	269450	7.18	269450	7.18
2	RAMBHABA HOLDINGS & TRADING CO. PVT LTD	85000	2.27	85000	2.27
3	GLOBAL TRUST BANK LIMITED	65500	1.75	65500	1.75
4	SURYA MOHAN REDDY KASU	62000	1.65	62000	1.65
5	SUBHASHREDDY MURTHALA	54870	1.46	53721	1.43
6	DINESH NAGABANDI	51100	1.36	51100	1.36
7	AMRITLAL RANMAL SHAH	50000	1.33	50000	1.33
8	OM PRAKASH MISRA	28530	0.76	30161	0.80
9	M PRASANNA	25600	0.68	25600	0.68
10	M PADMA RAO	25600	0.68	25600	0.68

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Shareholding of each Directors and Each Key Managerial Personnel	Shares held at the beginning of the year		Cumulative Shareholding During the year	
		No of Shares	%of total shares of the company	No of Shares	%of total Shares of the company
1	Rajesh Pitty	269700	7.19	269700	7.19
2	Sandeep Peeti	431300	11.50	587400	15.66
3	Nisha Peeti	98100	2.62	98100	2.62

**V) INDEBTEDNESS - Nil**

Indebtedness of the Company including interest Outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**NIL**

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Sandeep Peeti	Rajesh pitty	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,40,000	14,40,000	28,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,60,000	3,60,000	7,20,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	<b>Total (A)</b>	<b>18,00,000</b>	<b>18,00,000</b>	<b>36,00,000</b>



**Peeti Securities Limited**

**B. Remuneration to other directors = Nil**

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board Committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board Committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**NIL**

**B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	TOTAL
1	Gross salary		240000		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - As % of profit Others specify...				
5	Others, please specify				
	<b>Total</b>		<b>240000</b>		

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section Of the Companies Act	Brief Description	Details of Penalty / P Punishment/ Compounding Fees imposed	Authority [RD / NCLT / COURT]	Appeal Made if any (Give Details)
<b>A. COMPANY</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					

**Information pursuant to Section 197 of the Act  
Read with Rule 5(1) of the Companies (Appointment and Remuneration of  
Managerial Personnel) Rules, 2014.**

- i. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2016-17 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18:

Name of the Director/ Key Managerial Personnel	Remuneration of Director KMP for the financial year 2017-18	% increase in Remuneration in the financial year 2017-18	Ratio of the remuneration to the median remuneration of the employees
Sandeep Peeti	18,00,000	Nil	4.26
Rajesh Pitty	18,00,000	Nil	3.41

Note: The median remuneration of employees of the Company during the financial year was Rs.2,11,200/-

- ii . In the financial year under review, there was a increase of 15.79% in the median remuneration of employees.
- iii. The number of permanent employees on the rolls of company: 12
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average increase in the salaries of employees other than the managerial personnel in 2017-18 was 16.80%. The Percentage increase in the managerial remuneration for the same financial year was Nil
- (v) The company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

By Order Of the Board of Directors  
**FOR PEETI SECURITIES LIMITED**

SD/-

**SANDEEP PEETI**

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad  
Date: 14-08-2018

**INDEPENDENT AUDITOR'S REPORT**

To the Members,  
Peeti Securities Limited,  
Hyderabad.

**Report on the Ind AS Financial Statements**

1. We have audited the accompanying financial statements of PEETI SECURITIES LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein referred to as ‘Ind AS financial statements’).

**Management’s Responsibility for the Financial Statements**

2. The Company’s management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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**

3. Our responsibility is to express an opinion on these Ind AS Financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS 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 financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit, its cash flows and the changes in equity for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in Annexure – "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
8. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.

- e. On the basis of the written representations received from the directors as on 31st March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate report in “Annexure – B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would have a material impact its financial position.
  - ii) Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
  - iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.

**For MKPS & Associates**  
Chartered Accountants  
FRN 302014E

Sd/-  
**CA S. Modi**  
Partner  
M No. 051361

Date : 18.05.2018  
Place : Hyderabad

**Annexure-A to the Auditors' Report**

**Referred to in para 7 of our report of even date, to the members of PEETI SECURITIES LIMITED for the year ended March 31, 2018**

- i) (a) The company is maintaining proper records showing full particulars, with respect to its fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The company does not hold any immovable property.
- ii) In our opinion, and according to the information and explanations given to us, The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, the Company has not granted during the year any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) of the Order are not applicable to the Company and hence not commented upon.  
  
As the company has not granted loans, Accordingly, the provisions of clause 3(iii)(b)& 3(iii)(c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) According to the information and explanation given to us, The company is not required to maintain cost records as specified by central government under sub section (1) of the section 148 of the Companies Act, 2013 as they same is not applicable.
- vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues such as provident fund, Profession tax, income tax, Goods and service tax, labour cess with the appropriate authorities in India.

According to the information and explanations given to us there are no undisputed amounts in respect of the aforesaid statutory dues arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) The company has not made any default in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the company has not taken any term loans or raised any funds by way of initial / further public offer during the year.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 178 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India, 1934.

**For MKPS & Associates**  
Chartered Accountants  
FRN 302014E

Sd/-  
**CA S. Modi**  
Partner  
M No. 051361

Date : 18.05.2018  
Place : Hyderabad



**“Annexure B” to the Independent Auditor’s Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of PEETI SECURITIES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control

over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MKPS & Associates**  
Chartered Accountants  
FRN 302014E

Sd/-  
**CA S. Modi**  
Partner  
M No. 051361

Date : 18.05.2018  
Place : Hyderabad

## Peeti Securities Limited

### BALANCE SHEET AS ON 31ST MARCH, 2018

Amount in lakhs

Particulars	Note No.	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
<b>1. Assets</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	4	12.77	19.70	23.59
(b) Financial assets				
(i) Investments	5	58.06	71.89	46.91
(ii) Loans	6	6.23	6.24	6.24
(c) Deferred tax assets (net)	7	7.08	2.20	1.65
(d) Other Non-current assets				
<b>Total non-current assets</b>		<b>84.14</b>	<b>100.02</b>	<b>78.38</b>
<b>2. Current assets</b>				
(a) Inventories	8	256.68	203.74	214.42
(b) Financial assets				
(i) Investments	5	0.10	0.27	0.27
(ii) Trade Receivables	9	213.61	216.02	169.72
(iii) Cash and cash equivalents	10	132.53	93.07	82.54
(iv) Loans	11	31.60	35.16	33.60
(v) Other financial assets				
(c) Current Tax assets				
(d) Other current assets	12	2.42	0.64	11.91
<b>Total current assets</b>		<b>636.94</b>	<b>548.91</b>	<b>512.46</b>
<b>Total assets</b>		<b>721.09</b>	<b>648.93</b>	<b>590.85</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	13	375.04	375.04	375.04
(b) Other equity	14			
(i) Retained earnings		228.24	143.43	86.51
(ii) Other comprehensive income		14.30	44.42	26.17
<b>Total equity</b>		<b>617.58</b>	<b>562.90</b>	<b>487.72</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities		-	-	-
(b) Provisions	15	26.76	13.09	12.40
(c) Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>26.76</b>	<b>13.09</b>	<b>12.40</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities				
(i) Trade Payables		33.65	28.72	50.19
(ii) Other financial liabilities	16	31.99	31.25	17.95
(b) Provisions	17	11.12	12.98	22.59
(c) Other current liabilities		-	-	-
<b>Total current liabilities</b>		<b>76.75</b>	<b>72.95</b>	<b>90.73</b>
<b>Total liabilities</b>		<b>103.51</b>	<b>86.04</b>	<b>103.13</b>
<b>Total equity and liabilities</b>		<b>721.09</b>	<b>648.93</b>	<b>590.85</b>

The notes 1 to 29 are an integral part of the financial statements.  
In terms of our report attached.

**For MKPS & Associates**

Chartered Accountants

FRN 302014E

Sd/-

**CA S. Modi**

Partner

M No. 051361

Place : Hyderabad

Date : 18.05.2018

**For and on behalf of the Board**

**PEETI SECURITIES LIMITED**

Sd/-

**Sandeep Peeti**

Managing Director

Sd/-

**Rajesh Pitty**

Executive Director

Sd/-

**Venkatesh Achanta**

Company Secretary

## Peeti Securities Limited

### STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in lakhs

Particulars	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Revenue</b>			
Revenue from operations	18	2,039.38	1,933.26
Other income	19	38.76	10.16
<b>Total income</b>		<b>2,078.14</b>	<b>1,943.42</b>
<b>Expenses</b>			
Purchase of stock-in-trade		1,393.32	1,341.66
Changes in inventories of Finished goods, WIP and stock-in-Trade	20	(52.95)	10.68
Employee benefits expense	21	96.95	66.47
Finance costs		-	-
Depreciation and amortization expense	4	7.55	5.28
Other expenses	22	528.69	434.38
<b>Total expenses</b>		<b>1,973.57</b>	<b>1,858.46</b>
Profit before income tax		104.57	84.96
Current tax		24.65	28.59
Deferred tax		(4.88)	(0.55)
<b>Income tax expense</b>		<b>19.77</b>	<b>28.04</b>
<b>Profit for the year</b>		<b>84.80</b>	<b>56.92</b>
Other comprehensive income Items that will not be reclassified subsequently to profit or loss			
Gain/loss on fair value of investments		(30.12)	18.26
Income tax relating to items that will not be reclassified to profit or loss		-	
<b>“Other comprehensive income for the year, net of income tax”</b>		<b>(30.12)</b>	<b>18.26</b>
<b>Total comprehensive income for the year</b>		<b>54.68</b>	<b>75.18</b>
<b>Earnings per share</b>			
Basic earnings per share (INR)	24.	2.26	1.52
Diluted earnings per share (INR)	24.	2.26	1.52

The notes 1 to 29 are an integral part of the financial statements.  
In terms of our report attached.

**For MKPS & Associates**

Chartered Accountants  
FRN 302014E  
Sd/-  
**CA S. Modi**  
Partner  
M No. 051361  
Place : Hyderabad  
Date : 18.05.2018

**For and on behalf of the Board  
PEETI SECURITIES LIMITED**

Sd/- <b>Sandeep Peeti</b> Managing Director	Sd/- <b>Rajesh Pitty</b> Executive Director
Sd/- <b>Venkatesh Achanta</b> Company Secretary	

## Peeti Securities Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2018

Amount in lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Cash flows from operating activities</b>		
Profit for the year (before tax)	104.57	84.96
Adjustments for:		
Depreciation and amortisation	7.55	5.28
Other comprehensive Income	(30.12)	18.26
Interest Income	(7.97)	(9.42)
Dividend Income	(0.42)	(0.09)
Profit on sale of shares	(28.33)	(0.23)
Profit on sale of Asset	(2.05)	(0.36)
	<b>43.24</b>	<b>98.42</b>
Working capital adjustments:		
(Increase) decrease in inventories	(52.95)	10.68
(Increase) decrease in trade receivables and loans	5.99	(47.87)
(Increase) decrease in other current assets	(1.78)	11.28
(Increase) decrease in deferred tax	(4.88)	(0.55)
Increase (decrease) in trade payables	4.93	(21.47)
Increase (decrease) in other financial liabilities	0.74	13.30
Increase (decrease) in provisions	11.81	(8.92)
Increase (decrease) in other current liabilities	-	-
Cash generated from operating activities	7.10	54.87
Income tax paid (net)	(19.77)	(28.04)
<b>Net cash from operating activities (A)</b>	<b>(12.67)</b>	<b>26.83</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(0.63)	(1.41)
(Increase) decrease in value of investments	14.00	(24.98)
Profit on sale of shares and assets	30.38	0.58
Dividend Received	0.42	0.09
Interest Income	7.97	9.42
<b>Net cash used in investing activities (B)</b>	<b>52.14</b>	<b>(16.30)</b>
<b>Cash flows from financing activities</b>		
Proceeds from /repayment of long-term borrowings		
Interest expense		
Net cash flow from (used in) financing activities ( C)	-	-
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>39.47</b>	<b>10.53</b>
Cash and cash equivalents at 1 April	93.07	82.54
<b>Cash and cash equivalents at 31 March</b>	<b>132.54</b>	<b>93.07</b>

**For MKPS & Associates**

Chartered Accountants  
FRN 302014E

Sd/-

**CA S. Modi**

Partner

M No. 051361

Place : Hyderabad

Date : 18.05.2018

**For and on behalf of the Board**

**PEETI SECURITIES LIMITED**

Sd/-

**Sandeep Peeti**  
Managing Director

Sd/-

**Rajesh Pitty**  
Executive Director

Sd/-

**Venkatesh Achanta**  
Company Secretary

## Peeti Securities Limited

### a. Equity share capital

(Rs in Lakhs)

	Amount
<b>Balance as at 1 April 2016</b>	<b>375.04</b>
Changes in equity share capital during 2016-17	-
<b>Balance as at the 31 March 2017</b>	<b>375.04</b>
Changes in equity share capital during 2017-18	-
<b>Balance as at the 31 March 2018</b>	<b>375.04</b>

### b. Other equity

	Reserves and surplus	Items of OCI	Total
	Retained earnings	Other items of OCI	
Balance at 1 April 2016	86.51	26.17	112.68
<b>“Total comprehensive income for the year ended 31 March 2017”</b>			
Changes during the year	56.92	18.25	75.18
<b>Total comprehensive income</b>	<b>56.92</b>	<b>18.25</b>	<b>75.18</b>
“Transactions with owners, recorded directly in equity”	-	-	-
<b>Balance at 31 March 2017</b>	<b>143.43</b>	<b>44.42</b>	<b>187.86</b>
<b>“Total comprehensive income for the year ended 31 March 2018”</b>			
Changes during the year	84.80	(30.12)	54.68
<b>Total comprehensive income</b>	<b>84.80</b>	<b>(30.12)</b>	<b>54.68</b>
“Transactions with owners, recorded directly in equity”	-	-	-
<b>Balance at 31 March 2018</b>	<b>228.24</b>	<b>14.30</b>	<b>242.54</b>

The notes 1 to 29 are an integral part of the financial statements.

#### For MKPS & Associates

Chartered Accountants

FRN 302014E

Sd/-

**CA S. Modi**

Partner

M No. 051361

Place : Hyderabad

Date : 18.05.2018

#### For and on behalf of the Board

**PEETI SECURITIES LIMITED**

Sd/-

**Sandeep Peeti**  
Managing Director

Sd/-

**Rajesh Pitty**  
Executive Director

Sd/-

**Venkatesh Achanta**  
Company Secretary

**Notes to the financial statements****1. Corporate Information:**

The Company is a Public Company domiciled in India and incorporated under the Provision of Companies Act, 1956. Its Equity Shares are Listed on BSE. The Company is engaged in Trading of Textile [ mainly used as Furnishing Fabrics].

**2. Basis of preparation:****A. Statement of compliance:**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 29.

The financial statements were authorized for issue by the Company's Board of Directors on 18.05.2018

Details of the Company's accounting policies are included in Note3.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

**C. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement Basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligations

#### **D. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3. Significant accounting policies**

#### **a. Financial instruments**

##### ***Non-derivative financial instruments***

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition



***Non- derivative financial assets***

Financial assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The company's financial assets includes cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current assets.

***Non-derivative financial liabilities***

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

The company has the following financial liabilities: loans and borrowings, trade and other payables including deposits collected from various parties.

***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**b. Property, plant and equipment**

***i. Recognition and measurement***

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

**iii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iv. Depreciation**

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Office equipment	5 years	5 years
Computer	3	3
Furniture	10	10
Vehicles	8	8
Plant & Machinery	15	15

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**c. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**d. Investments:**

e. Investments are valued at cost less provision for permanent diminution in value of such investments. Investments are carried at lower of cost and fair value.

**f. Revenue recognition**

- i. Revenue is recognized on sale of grey cloth and finished cloth on dispatch of goods from the factory. Sales are recorded net of rebate, trade discounts and returns
- ii. Dividend is accounted on an accrual basis when the right to receive the dividend is established.
- iii. Interest income on loans & advances is recognized in the profit & loss account as it accrues.

**g. Employee benefits**

***i. Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

***ii. Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the

discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **h. Income tax**

Income tax comprises of current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### **iii. Minimum Alternate Tax (MAT)**

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### **i. Segment reporting**

The Board of Directors assess the financial performance of the Company and make strategic decisions. The Company has only one reportable segment i.e. Trading in Textile

### **j. Earnings per share**

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

**4. Property, plant and equipment**

(Rs in Lakhs)

**Reconciliation of carrying amount**

	<b>Computer</b>	<b>Office Equipment</b>	<b>Furniture</b>	<b>Vehicles</b>	<b>Plant &amp; Machinery</b>
<b>Deemed cost (gross carrying amount)</b>					
Balance at 1 April 2016	0.45	0.51	1.01	20.42	1.20
Additions	0.39	0.88	0.14	-	-
Disposals	-	0.04	-	-	-
<b>Balance at 31 March 2017</b>	<b>0.84</b>	<b>1.35</b>	<b>1.15</b>	<b>20.42</b>	<b>1.20</b>
Balance at 1 April 2017	0.84	1.35	1.15	20.42	1.20
Additions	0.16	0.47	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>1.00</b>	<b>1.82</b>	<b>1.15</b>	<b>20.42</b>	<b>1.20</b>
<b>Accumulated depreciation and impairment losses</b>					
Depreciation for the year	0.20	0.18	0.29	4.39	0.21
Impairment	-	-	-	-	-
Disposals	-	0.02	-	-	-
<b>Balance at 31 March 2017</b>	<b>0.20</b>	<b>0.16</b>	<b>0.29</b>	<b>4.39</b>	<b>0.21</b>
Balance at 1 April 2017	0.20	0.16	0.29	4.39	0.21
Additions	0.36	0.37	0.39	6.26	0.19
Disposals	-	-	-	-	-
<b>Balance at 31 March 2018 Carrying amounts (net)</b>	<b>0.56</b>	<b>0.53</b>	<b>0.68</b>	<b>10.65</b>	<b>0.40</b>
<b>At 1 April 2016</b>	<b>0.45</b>	<b>0.51</b>	<b>1.01</b>	<b>20.42</b>	<b>1.20</b>
<b>At 1 April 2017</b>	<b>0.64</b>	<b>1.19</b>	<b>0.85</b>	<b>16.03</b>	<b>0.99</b>
<b>At 1 April 2018</b>	<b>0.44</b>	<b>1.29</b>	<b>0.47</b>	<b>9.77</b>	<b>0.80</b>

**5 Investments**

(Rs in Lakhs)

**Current Investments**

Particulars	31 March 2018	31 March 2017	31 March 2016
<b>Equity Investments (FVOCI)</b>			
Unquoted	0.17	0.17	0.17
Less: Provision for diminution in value of shares	0.17	-	-
Other investments	0.10	0.10	0.10
<b>Total (Equity Instruments)</b>	<b>0.10</b>	<b>0.27</b>	<b>0.27</b>

**Non- Current Investments**

Particulars	31 March 2018	31 March 2017	31 March 2016
Investmenmts in equity Instruments (Fully Paid-up)			
Quoted	50.24	59.07	34.08
Equity Investments (FVOCI)			
Un-Quoted	7.82	12.82	12.82
<b>Total (Equity Instruments)</b>	<b>58.06</b>	<b>71.89</b>	<b>46.91</b>

**6 Loans**

Particulars	31 March 2018	31 March 2017	31 March 2016
<b>Secured, considered good</b>			
Power Deposit	0.21	0.21	0.21
Rent Deposit	6.00	6.00	6.00
Telephone Deposits	0.02	0.03	0.03
	<b>6.23</b>	<b>6.24</b>	<b>6.24</b>

Refer note 30 for disclosure of transactions with related parties.

**7 Deferred tax assets/Liabiities, net**

**Movement in temporary differences**

Particulars	31 March 2018	31 March 2017	31 March 2016
<b>Deferred tax assets</b>			
Opening	2.20	1.65	0.05
During the year	4.88	0.55	1.60
	<b>7.08</b>	<b>2.20</b>	<b>1.65</b>

**8 Inventories**

(Valued at lower or cost or net realisable value)

Particulars	31 March 2018	31 March 2017	31 March 2016
<b>Inventories :</b>			
a) stock - in - trade	256.68	203.74	214.42
	<b>256.68</b>	<b>203.74</b>	<b>214.42</b>

**9 Trade Receivables**

(Valued at lower or cost or net realisable value)

Particulars	31 March 2018	31 March 2017	31 March 2016
<b>Unsecured and Considered Good</b>			
a) Outstanding more than 6 months	11.20	5.39	0.94
b) Outstanding less than 6 months	202.41	210.63	168.78
	<b>213.61</b>	<b>216.02</b>	<b>169.72</b>

**10 Cash and cash equivalents**

Particulars	31 March 2018	31 March 2017	31 March 2016
a) Balances with banks :			
In Deposit Account	65.00	77.50	70.57
In Current Account	63.29	15.15	10.63
b) Cash on hand	4.25	0.42	1.34
	<b>132.53</b>	<b>93.07</b>	<b>82.54</b>

**11. Loans**

	31 March 2018	31 March 2017	31 March 2016
<b>Unsecured and Considered Good</b>			
a) Loans and advances(Hans Capital & Leasing Pvt Ltd)	28.14	30.26	26.66
b) Staff Advances	3.46	4.90	6.94
	<b>31.60</b>	<b>35.16</b>	<b>33.60</b>

**12 Other current assets**

	31 March 2018	31 March 2017	31 March 2016
a) Prepaid Insurance	0.48	0.53	0.59
b) TDS / Advance Tax	0.80	0.09	11.19
c) Other Current Assets	0.26	0.02	0.13
d) Input credit - GST	0.89	-	-
	<b>2.42</b>	<b>0.64</b>	<b>11.91</b>



**13 Share capital**

(Rs in Lakhs)

	31 March 2018	31 March 2017	31 March 2016
<b>Authorised</b>			
Equity shares of ₹ 10 each	450.00	450.00	450.00
Issued, subscribed and paid-up			
Equity shares of ₹ 10 each	375.04	375.04	375.04
	<b>375.04</b>	<b>375.04</b>	<b>375.04</b>

**A.Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

	31 March 2018		31 March 2017	
	Number	Amount (INR)	Number	Amount (INR)
At the commencement of the period	37.50	375.04	37.50	375.04
Shares issued for cash	-	-	-	-
<b>At the end of the period</b>	<b>37.50</b>	<b>375.04</b>	<b>37.50</b>	<b>375.04</b>

**B. Rights, preferences and restrictions attached to equity shares**

“The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company’s residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.”

**C. Shareholders holding more than 5% of equity share capital**

	31 March 2018		31 March 2017	
	Number	% Holding	Number	% Holding
Sandeep Peeti	5.18	13.80%	4.31	11.50%
Rajesh Pitty	2.30	6.13%	2.70	7.19%
Arihants Securities Limited	2.69	7.18%	2.69	7.18%
	<b>10.17</b>	<b>27.11%</b>	<b>9.70</b>	<b>25.87%</b>

**14. Other equity**

	31 March 2018	31 March 2017
Surplus in the statement of profit and loss		
Balance at the beginning of the year	143.43	86.51
Add: Profit for the year	84.80	56.92
<b>Balance at the end of the year</b>	<b>228.24</b>	<b>143.43</b>
Other comprehensive income		
Balance at the beginning of the year	44.42	26.17
Changes during the year	(30.12)	18.25
<b>Balance at the end of the year</b>	<b>14.30</b>	<b>44.42</b>
	<b>242.54</b>	<b>187.86</b>

## Peeti Securities Limited

### 15 Provisions

(Rs in Lakhs)

	31 March 2018	31 March 2017	31 March 2016
<b>Provisions for employee benefits</b>			
- Gratuity	26.76	13.09	12.40
Other provisions			
	<b>26.76</b>	<b>13.09</b>	<b>12.40</b>

### 16 Other financial liabilities

	31 March 2018	31 March 2017	31 March 2016
Other Payables	30.66	30.49	17.41
Advance from customers	1.32	0.75	0.54
	<b>31.99</b>	<b>31.25</b>	<b>17.95</b>

Refer note 30 for disclosure of transactions with related parties.

### 17. Provisions

	31 March 2018	31 March 2017	31 March 2016
Provision for Income Tax	4.66	12.98	22.59
Provision for Gratuity	2.81	-	-
Other Provisions	3.65	-	-
	<b>11.12</b>	<b>12.98</b>	<b>22.59</b>

### 18 Revenue from operations

(Rs in Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products	2,039.38	1,933.26
	<b>2,039.38</b>	<b>1,933.26</b>

### 19. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Income	7.97	9.42
Dividend Income	0.42	0.09
Discounts/Writtenoffs	(0.01)	0.06
Profit on sale of shares	28.33	0.23
Profit on sale of Asset	2.05	0.36
	<b>38.76</b>	<b>10.16</b>

## Peeti Securities Limited

### 20 Changes in inventories of Finished goods, WIP and stock-in-Trade

(Rs in Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock	203.74	214.42
Closing stock	256.68	203.74
	<b>(52.95)</b>	<b>10.68</b>

### 21 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages, Others	42.67	37.06
Contribution to ESI & Other Funds	1.20	1.04
Staff welfare expenses	0.58	0.68
Managerial Remuneration	36.00	27.00
Provision for gratuity	16.48	0.69
	<b>96.95</b>	<b>66.47</b>

### 22 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Power & Fuel	1.11	1.11
(b) Rent	14.40	14.40
(c) Repairs to Building	1.26	1.12
(d) Repairs to Machinery & Vehicles	1.02	1.60
(e) Insurance	0.76	0.83
(f) Rates & Taxes	0.52	0.91
(g) Other Expenses		-
1. Job work charges	457.87	367.88
2. Misc Expenditue	6.37	6.34
3. Packing Material	9.21	9.48
4. Postage, Telegrams & Telephone	0.57	0.75
5. Sales Commission	20.79	14.89
6. Traveling & Conveyance	3.01	3.24
7. Professional Fees	0.42	0.91
8. Bad debts	1.32	2.14
9. Other Misc Expenses	8.58	7.15
(h) Audit Fee	1.48	0.58
(i) Prior period items (Income Tax)	-	1.00
(j) Assets Written off	-	0.03
	<b>528.69</b>	<b>434.38</b>

### 23 Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at 31 March 2018 was as follows: (Rs in Lakhs)

	31 March 2018	31 March 2017	31 March 2016
Total liabilities	103.51	86.04	103.13
Less: cash and cash equivalents	(132.53)	(93.07)	(82.54)
<b>Adjusted net debt</b>	<b>(29.02)</b>	<b>(7.04)</b>	<b>20.59</b>
Total equity	617.58	562.90	487.72
Adjustments	-	-	-
Adjusted equity	617.58	562.90	487.72
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.05)</b>	<b>(0.01)</b>	<b>0.04</b>

### 24. Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

	31 March 2018	31 March 2017
i. Profit (loss) attributable to equity shareholders(basic)	84.80	56.92
ii. Weighted average number of equity shares (basic)	37.50	37.50
Basic EPS	2.26	1.52

The Company does not have any potentially dilutive equity shares outstanding during the year.

### 25. Assets and liabilities relating to employee benefits

For details about the related employee benefit expenses, see Note 21

The Company operates the following post-employment defined benefit plan:

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972 (Plan A). Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

#### A. Funding

The Company expects to pay INR 2.81 Lakhs in contributions to its defined benefit plans in 2018-19.

**B. Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

**Plan A**

*Reconciliation of present value of defined benefit obligation for Gratuity*

(Rs in Lakhs)

	31 March 2018	31 March 2017
Balance at the beginning of the year	13.09	12.40
Benefits paid	-	-
Current service cost	16.48	0.69
Interest cost	-	-
Past service cost	-	-
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	-	-
- experience adjustments	-	-
Balance at the end of the year	29.57	13.09

**C. Expense recognised in profit or loss**

**Plan A**

	31 March 2018	31 March 2017
Current service cost	16.48	0.69
Interest cost	-	-
Past service gain	-	-
	<b>16.48</b>	<b>0.69</b>

Remeasurements recognised in other comprehensive income

	31 March 2018	31 March 2017
Actuarial (gain) loss on defined benefit obligation	-	-
	-	-

**D. Defined benefit obligation**

**i. Actuarial assumptions**

**Plan A**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(Rs in Lakhs)

	31 March 2018	31 March 2017	31 March 2016
Discount rate	7.50%	NA	NA
Salary Growth Rate	7.00%	NA	NA
Mortality table	IALM(2006-08)	NA	NA

ii. Sensitivity analysis

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**Plan A**

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	28.44	30.78	-	-
Future salary growth (0.5% movement)	29.97	29.21	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**26 Financial instruments - Fair values and risk management**

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**31 March 2018**

(Rs in Lakhs)

	Note	“Other financial assets- amortised cost”	“Other financial liabilities - amortised cost”	“Total carrying amount”
<b>Financial assets measured at fair value</b>		-	-	-
<b>Financial assets not measured at fair value</b>				
Loans to related party		-	-	-
Cash and cash equivalents		132.53	-	132.53
Other financial assets		-	-	-
		<b>132.53</b>	-	<b>132.53</b>
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans		-	-	-
Loans from related parties		-	-	-
Trade payables		-	33.65	33.65
Security deposits received		-	-	-
		-	<b>33.65</b>	<b>33.65</b>

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

## Peeti Securities Limited

31 March 2017

(Rs in Lakhs)

Note	“Other financial assets-amortised cost”	“Other financial liabilities - amortised cost”	“Total carrying amount”
<b>Financial assets measured at fair value</b>	-	-	-
	-	-	-
<b>Financial assets not measured at fair value</b>			
Loans to related party	-	-	-
Cash and cash equivalents	93.07	-	93.07
	<b>93.07</b>	-	<b>93.07</b>
<b>Financial liabilities not measured at fair value</b>			
Secured bank loans	-	-	-
Loans from related parties	-	-	-
Trade payables	-	28.72	28.72
Security deposits received	-	-	-
	-	<b>28.72</b>	<b>28.72</b>

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

1 April 2016

(Rs in Lakhs)

Note	“Other financial assets-amortised cost”	“Other financial liabilities - amortised cost”	“Total carrying amount”
<b>Financial assets measured at fair value</b>	-	-	-
	-	-	-
<b>Financial assets not measured at fair value</b>			
Loans to related party	-	-	-
Cash and cash equivalents	82.54	-	82.54
Other financial assets	-	-	-
	<b>82.54</b>	-	<b>82.54</b>
<b>Financial liabilities not measured at fair value</b>			
Secured bank loans	-	-	-
Loans from related parties	-	-	-
Trade payables	-	50.19	50.19
Security deposits received	-	-	-
	-	<b>50.19</b>	<b>50.19</b>

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

## **27 Financial instruments - Fair values and risk management**

### **B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

#### ***Risk management framework***

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### ***a) Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities

The carrying amounts of financial assets represent the maximum credit risk exposure.

#### ***Trade receivables and loans***

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

#### ***Cash and cash equivalents***

The Company holds cash and cash equivalents of INR 132.53 Lakhs at 31 March 2018 (31 March 2017: INR 93.07 Lakhs; 1 April 2016: INR 82.54 Lakhs). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.



**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements

**31 March 2018**

(Rs in Lakhs)

	Carrying Amount	Contractual Cashflows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	-	-	-	-	-	-	-
Unsecured loan from related party	-	-	-	-	-	-	-
Trade payables	33.65	33.65	33.65	-	-	-	-
Other financial liabilities	31.99	31.99	31.99	-	-	-	-
	<b>65.63</b>	<b>65.63</b>	<b>65.63</b>	-	-	-	-

**31 March 2017**

(Rs in Lakhs)

	Carrying Amount	Contractual Cashflows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	-	-	-	-	-	-	-
Unsecured loan from related party	-	-	-	-	-	-	-
Trade payables	28.72	28.72	28.72	-	-	-	-
Other financial liabilities	31.25	31.25	31.25	-	-	-	-
	<b>59.96</b>	<b>59.96</b>	<b>59.96</b>	-	-	-	-

**31 March 2016**

(Rs in Lakhs)

	Carrying Amount	Contractual Cashflows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	-	-	-	-	-	-	-
Unsecured loan from related party	-	-	-	-	-	-	-
Trade payables	50.19	50.19	50.19	-	-	-	-
Other financial liabilities	17.95	17.95	17.95	-	-	-	-
	<b>68.14</b>	<b>68.14</b>	<b>68.14</b>	-	-	-	-

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**c) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate instruments.

Exposure to interest rate risk

The interest rate profile of the Company’s interest-bearing financial instruments as reported to management is as follows:

(Rs in Lakhs)

	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>1 April 2016</b>
<b>Fixed rate instruments</b>			
Financial assets	31.60	35.16	33.60
Financial liabilities	-	-	-
	<b>31.60</b>	<b>35.16</b>	<b>33.60</b>

*Fair value sensitivity analysis for fixed-rate instruments*

A reasonably possible increase/decrease of 100 basis points in interest rates at the reporting date would not have any significant impact. This analysis assumes that all other variables remains constant.

**28 Related parties**

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	Sandeep Peeti	Managing Director
2	Rajesh Pitty	Executive Director
3	Nisha Peeti	Relative of Director
4	Sonika Pitty	Relative of Director

**B. Transactions with related parties during the year ended**

(Rs in Lakhs)

S. No.	Name of the related party	Nature of transactions	31 March 2018	31 March 2017
1	Sandeep Peeti	Salary - Managing Director	18.00	13.50
2	Rajesh Pitty	Salary - Executive Director	18.00	13.50
3	Nisha Peeti	Rent	7.20	7.20
4	Sonika Pitty	Rent	7.20	7.20

**C. Balances outstanding**

(Rs in Lakhs)

S. No.	Name of the related party	Nature of transactions	31 March 2018	31 March 2017
1	Sandeep Peeti	Salary - Managing Director	3.83	1.91
2	Rajesh Pitty	Salary - Executive Director	0.41	4.34
3	Nisha Peeti	Rent	1.54	1.29
4	Sonika Pitty	Rent	0.22	3.25

## **29 Explanation of transition to Ind AS**

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

### **A. Optional exemptions availed**

#### **1 Property plant and equipment**

As per Ind AS 101 an entity may elect to:

- i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP ) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

**B. Mandatory exceptions**

**1 Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement.

**2 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

## Peeti Securities Limited

### C. Reconciliation of equity

(Rs in Lakhs)

	Note	As at date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4	23.59	-	23.59	19.70	-	19.70
Other intangible assets		-	-	-	-	-	-
Financial assets							
Investments	5	20.74	26.17	46.91	27.47	44.42	71.89
Loans	6	6.24	-	6.24	6.24	-	6.24
Other tax assets, net		-	-	-	-	-	-
Deferred tax assets, net	7	1.65	-	1.65	2.20	-	2.20
Other non-current assets		-	-	-	-	-	-
<b>Total non-current assets</b>		<b>52.22</b>	<b>26.17</b>	<b>78.39</b>	<b>55.60</b>	<b>44.42</b>	<b>100.03</b>
<b>Current assets</b>							
Inventories	8	214.42	-	214.42	203.74	-	203.74
Financial assets		-	-	-	-	-	-
Investments	5	0.27	-	0.27	0.27	-	0.27
Trade Receivables	9	169.72	-	169.72	216.02	-	216.02
Cash and cash equivalents	10	82.54	-	82.54	93.07	-	93.07
Loans	11	33.60	-	33.60	35.16	-	35.16
Other financial assets		-	-	-	-	-	-
Other current assets	12	11.91	-	11.91	16.25	(15.61)	0.64
<b>Total current assets</b>		<b>512.46</b>	<b>-</b>	<b>512.46</b>	<b>564.52</b>	<b>(15.61)</b>	<b>548.91</b>
<b>Total assets</b>		<b>564.68</b>	<b>26.17</b>	<b>590.85</b>	<b>620.12</b>	<b>28.81</b>	<b>648.93</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	13	375.04	-	375.04	375.04	-	375.04
Other equity	14	-	-	-	-	-	-
Capital reserve		-	-	-	-	-	-
Retained earnings		86.51	-	86.51	159.04	(15.61)	143.43
Other comprehensive income		-	26.17	26.17	-	44.42	44.42
<b>Total equity</b>		<b>461.55</b>	<b>26.17</b>	<b>487.72</b>	<b>534.08</b>	<b>28.81</b>	<b>562.90</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
Borrowings		-	-	-	-	-	-
Others		-	-	-	-	-	-
Provisions	15	12.40	-	12.40	13.09	-	13.09
Other non-current liabilities		-	-	-	-	-	-
Deferred income		-	-	-	-	-	-
<b>Total non-current liabilities</b>		<b>12.40</b>	<b>-</b>	<b>12.40</b>	<b>13.09</b>	<b>-</b>	<b>13.09</b>
<b>Current liabilities</b>							
Financial liabilities		-	-	-	-	-	-
Borrowings		-	-	-	-	-	-
Trade payables		50.19	-	50.19	28.72	-	28.72
Other financial liabilities	16	17.95	-	17.95	31.25	-	31.25
Provisions	17	22.59	-	22.59	12.98	-	12.98
Other current liabilities		-	-	-	-	-	-
<b>Total current liabilities</b>		<b>90.73</b>	<b>-</b>	<b>90.73</b>	<b>72.95</b>	<b>-</b>	<b>72.95</b>
<b>Total liabilities</b>		<b>103.13</b>	<b>-</b>	<b>103.13</b>	<b>86.04</b>	<b>-</b>	<b>86.04</b>
<b>Total equity and liabilities</b>		<b>564.68</b>	<b>26.17</b>	<b>590.85</b>	<b>620.12</b>	<b>28.81</b>	<b>648.93</b>

## Peeti Securities Limited

### D. Reconciliation of total comprehensive income for the year ended 31 March 2017

(Rs in Lakhs)

	Note	For the year ended 31 March 2017		
		Previous GAAP transition to Ind AS	Adjustment on	Ind AS
<b>Revenue</b>				
Revenue from operations	18	1,933.26	-	1,933.26
Other income	19	10.16	-	10.16
<b>Total income</b>		<b>1,943.42</b>	<b>-</b>	<b>1,943.42</b>
<b>Expenses</b>				
Purchase of stock in trade		1,341.66	-	1,341.66
Changes in inventories of Finished goods, WIP and Stock-in-Trade	20	10.68	-	10.68
Employee benefits expense	21	66.47	-	66.47
Finance costs		-	-	-
Depreciation and amortization expense	4	5.28	-	5.28
Other expenses	22	434.38	-	434.38
<b>Total expenses</b>		<b>1,858.46</b>	<b>-</b>	<b>1,858.46</b>
<b>Profit before prior-period items and tax</b>		<b>84.96</b>	<b>-</b>	<b>84.96</b>
<b>Prior-period item</b>		-	-	-
<b>Profit before income tax</b>		<b>84.96</b>	<b>-</b>	<b>84.96</b>
Current tax		12.98	15.61	28.59
Deferred tax		(0.55)	-	(0.55)
Income tax expense		12.43	15.61	28.04
<b>Profit for the year</b>		<b>72.53</b>	<b>(15.61)</b>	<b>56.92</b>
<b>Other comprehensive income</b>				
<b>“Items that will not be reclassified subsequently to profit or loss”</b>				
Gain/loss on fair value of investments		-	18.26	18.26
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
<b>“Other comprehensive income for the year, net of income tax”</b>		<b>-</b>	<b>18.26</b>	<b>18.26</b>
<b>Total comprehensive income for the year</b>		<b>72.53</b>	<b>2.65</b>	<b>75.18</b>

**E. Notes to the reconciliations**

**a. Re-classification of financial assets and liabilities**

Under Ind AS, all financial assets and liabilities are to be disclosed separately on the face of the Balance Sheet. Under previous GAAP, there was no such requirement. Thus, all the assets and liabilities meeting the recognition criteria of financial asset or liability as per Ind AS 32 and 109 have been re-classified and shown separately on the face of the Balance Sheet.

**b. Actuarial gain and loss**

Under Ind AS, all actuarial gains and losses and the interest income/ cost other than net interest are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

**d. Retained earnings**

The above changes (decreased) increased total equity as follows:

(Rs in Lakhs)

	1 April 2016	31 March 2017
Total equity (Share holders funds) as per previous GAAP	461.55	534.08
Adjustments for IND AS :		
Fair value of investments	26.17	44.42
Other adjustments	-	(15.61)
<b>Increase in total equity</b>	<b>487.72</b>	<b>562.89</b>

**For MKPS & Associates**

Chartered Accountants

FRN 302014E

Sd/-

**CA S. Modi**

Partner

M No. 051361

Place : Hyderabad

Date : 18.05.2018

**For and on behalf of the Board**

**PEETI SECURITIES LIMITED**

Sd/-

**Sandeep Peeti**

Managing Director

Sd/-

**Rajesh Pitty**

Executive Director

Sd/-

**Venkatesh Achanta**

Company Secretary



**E-Voting Process**

**Process and manner for members opting for e-voting are as under:**

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on Tuesday 25th September, 2018 at 10.00 AM and ends on Thursday, 27th September, 2018 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "PEETI SECURITIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
- (vi) For CDSL: 16 digits beneficiary ID,
- (vii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (viii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format.</p>
Dividend	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (xii) After entering these details appropriately, click on “SUBMIT” tab.
- (xiii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xvi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xvii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xviii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xxi) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
  - The Company has appointed Mr. Anand Kumar Kasat, a Practicing company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting

**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder / proxy / representative for the registered shareholder(s) of Peeti Securities Limited.

I hereby record my presence at the 24th Annual General Meeting of the shareholders of Peeti Securities Limited on Friday, 28th September, 2018 At 10.00 AM at Bhagyanagar Function Hall, L. B. Nagar, Hyderabad-500074

DP ID*	Reg. Folio No.
Client ID*	No of Shares

\*Applicable if shares are held in electronic form

Name and Address of Member

\_\_\_\_\_  
Signature of Shareholder / Proxy /  
Representative (Please Specify)



**Peeti Securities Limited**

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

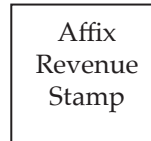
CIN	:	L67190TG1994PLC018779	
Name of the Company	:	PEETI SECURITIES LIMITED	
Registered Office	:	DOOR NO. : 7-3-81/1, OLD KURNOOL ROAD, KATTEDAN, HYDERABAD - 500077. CONTACT NO:9849027040	
Name of the Member	:		
Registered Address	:		
Email ID	:		
Folio No/ Client ID	:	DP ID.:	
I/ We, being the member(s) of _____ shares of the above named company, hereby appoint			
1	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
2	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
3	Name:		
	Address		
	Email ID	Signature	
	Or failing him		

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual general meeting of the company, to be held on the Friday, 28th September, 2018 At 10.00 AM At Bhagyanagar Function Hall, L. B. Nagar, Hyderabad-500074. and at any adjournment thereof in respect of such resolutions as are indicated below:

**Peeti Securities Limited**

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1.	Consider and adopt audited financial statements as at 31.03.2018 and profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2.	Re-appointment of Mr. Sandeep Peeti , Director who retires by rotation		

Signed this ..... day of ..... 2018.



Signature of shareholder:  
holder(s):

Signature of Proxy

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



If undelivered please return to:

**Peeti Securities Limited**

DOOR NO. : 7-3-81/1, OLD KURNOOL ROAD, KATTEDAN  
HYDERABAD – 500077