

16th
ANNUAL REPORT
2009 - 2010

PEETI SECURITIES LIMITED

INDEX

Notice to Shareholders 4

Directors Report 5

Auditor Report 20

Balance Sheet 23

Profit & Loss Account 24

Schedules 25

Balance Sheet Abstract/Business Profile 32

Cash Flow Statement 33

BOARD OF DIRECTORS

Sri Sandeep Peeti	:	Chairman & Managing Director
Sri Rajesh Peeti	:	Executive Director
Sri Raj Kumar Agrawal	:	Director
Sri Ajay Garg	:	Director
Sri Rajeev Peeti	:	Director

AUDITORS	:	M/s. MKA Associates 1 st Floor, Surabhi Sharadha Block, Ahuja Estate, Abids, Hyderabad – 500 001.
-----------------	---	-----------------------------------------------------------------------------------------------------------------------

REGISTERED OFFICE & WORKS :	Survey No.71, Opp. BSNL Office, Beside M.P.Hardware Lane, Old Kurnool Road, Kattedan Hyderabad - 500077
----------------------------------------	------------------------------------------------------------------------------------------------------------------

BANKERS	:	ING Vysya Bank LTD, Shamshabad, Hyderabad.
----------------	---	--------------------------------------------------

REGISTRARS AND SHARE TRANSFER AGENTS	:	CIL Securities Limited II Floor, 214, Raghava Ratna Towers Chirag Ali Lane Hyderabad – 500 001
-------------------------------------------------	---	---------------------------------------------------------------------------------------------------------

LISTED AT	:	The Bombay Stock Exchange Ltd
------------------	---	-------------------------------

NOTICE

Notice is hereby given that the **Sixteenth Annual General Meeting** of the members of the Company will be held on Thursday the **30th September 2010** at **10.00 A.M.** at **Bhagyanagar Function Hall, L. B. Nagar, Hyderabad** to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, Profit and Loss Account for the financial year ended on that date and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Rajeev Peeti who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD

Sd/-

SANDEEP PEETI

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date : 01st August 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books will remain closed from 28th September 2010 to 30th September 2010 (both days inclusive).
4. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
5. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name / sequence of names.

ADDITIONAL INFORMATION ON DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

Sri Rajeev Peeti, Director, Aged about 43 years. He has vast experience in stock markets, finance Business and to comply with the corporated governance requirements. His presence in company since 01-10-02. He is a member / Chairman off audit, remuneration and investor grievence committee.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the SIXTEENTH ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. In Lacks)	(Rs. In Lacks)
	Year ended 31.03.2010	Year ended 31.03.2009
Sales	632.35	396.38
Other Income	2.59	4.99
Profit before depreciation and tax	7.65	(2.64)
Depreciation	6.86	5.47
Net profit/(Loss) before tax	0.80	(8.11)
Prior period adjustments	0.15	0.13
	0.64	(8.24)
Provision for taxation		
a. Current	(0.19)	—
b. Deferred Tax	—	—
c. Fring Benefit Tax	—	(0.54)
	(0.19)	(0.54)
Profit/(Loss) after tax	0.45	(8.78)
Deficit brought forward from the previous Year	(26.00)	(17.22)
Surplus/ (Deficit) carried to balance sheet	(25.55)	(26.00)

OPERATIONS:

During the year under review, your company has achieved a total income of Rs. 634.94 Lakhs as against previous year's income of Rs. 401.37 Lakhs and recorded a net profit of Rs. 0.80 Lakhs for the financial year 2009-10 when compared to a net loss of Rs. 8.11 Lakhs during the previous year. Although your company projected more turnover as against the previous year's turnover, your company recorded less profit on account of huge competition in wholesale prices and doing trading with less margin to sustain in the market and your company could not increase the selling price of the finished goods due to severe recession that the economy is witnessing in almost all the industries. However things are restoring to normalcy and the industry is recovering from the depression and your company would do better in the years to come.

DIVIDEND:

Your Directors do not recommend any Dividend for the Financial year 2009-2010 as the profits are planned to be ploughed back into the business operations..

PARTICULARS OF EMPLOYEES:

Pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, no employee of your Company is in receipt of remuneration exceeding Rs.2,00,000/- per month or Rs.24,00,000/- per annum during the financial year.

DIRECTORS:

Mr. Rajeev Peeti, Director of your company retires by rotation at the ensuing Annual General Meeting. Being eligible for the re-appointment, offers himself for the re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- That in the preparation of Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;

- (ii) that the directors have selected such accounting policies 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 ended 31st March, 2010 and of the profit and loss of the company for that period:
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) that the directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

Your company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A Statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is set out in Form - 'A' and Form - 'B' which is enclosed as **Annexure - I** to this report.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provision of clause 49 of the listing agreement a report on Management Discussion & Analysis is set out as an **Annexure-II** to this report.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance along with Auditor's Certificate on its compliance is enclosed as **Annexure - III** to this report.

COMPLIANCE CERTIFICATE

Your Company has obtained the necessary Compliance Certificate as required in terms of Section 383A read with the Companies (Compliance Certificate) Rules 2001 of the Companies Act, 1956 for the financial year 2009-2010 from Mr. B L Chandrasekhar Sarma Practising Company Secretary same is given in **ANNEXURE—IV**

AUDITORS:

M/s. MKA Associates, Chartered Accountants, the statutory auditors of the company retire at the conclusion of ensuing Annual General meeting and being eligible, offer themselves for re-appointment.

REVOCAION OF SUSPENSION

Our Board of Directors with immense pleasure informs to the share holders that the trading in the Equity Shares of the Company is allowed in the Bombay Stock Exchange. The Company script is revoked from suspension from Bombay Stock Exchange Limited.

LISTING FEE:

Your Company's shares are listed on The Bombay Stock Exchange Limited. Your company is regular in payment of the listing fee to the Bombay Stock Exchange Limited.

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

Sd/-

SANDEEP PEETI

Chairman & Managing Director

Place: Hyderabad

Date : 01st August 2010

ANNEXURE – I**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
Proper control points are set up at all levels to identify the wastage in power & fuel consumption and to take/initiate corrective steps.
- b) Additional investments and proposals, if, any, being implemented for reduction of conservation of energy : NIL
- c) Impact of the clause (1) and (2) above the reduction of energy consumption and consequent impact on the production of goods : N.A

B) TECHNOLOGY ABSORPTION**Research and Development (R&D)**

1. Specific areas in which R&D carried out by the Company	NIL
3. Future plans of action	
4. Expenditure on R&D	
Capital	NIL
Recurring	NIL
Total	NIL
Total R&D Expenditure as % of total turnover	NIL

Technology Absorption, Adaptation and Innovation

1. Efforts made towards technology absorption adaptation and innovation	NIL
2. Benefits derived as a result of above efforts	NIL
3. Information about imported technology	
a. Technology imported	NIL
b. Year of Import	:
c. Whether Technology fully absorbed	:
d. If not fully absorbed, areas and reasons for future plans actions	

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo:	2009-10	2008-09
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	NIL	NIL

MANAGEMENT DISCUSSION ANALYSIS REPORT**TEXTILE INDUSTRY OVERVIEW:**

Global textile industry stands at US\$ 4,395 billion and the total global trade for textile and clothing is of US\$ 360 billion. The Indian textile industry is expected to be at US\$ 36 billion, which makes 27% of total foreign exchange earned by India. Out of this the export from textile is US\$17 billion. The Indian textile industry at global level has many products as cotton yarn and fabrics, synthetic yarns, man-made yarn, man-made fabrics, wool and silk fabrics and variety of garments.

For the period of three decades after independence there has been seen considerable growth in the Indian textile industry but the next decade has seen considerable growth. Moreover with the Economic Policy of 1991 and the Textile Policy of 1985, the liberalization of trade and economy came into existence that has given boost to the textile industry. So the growth in fourth and fifth decade is immense. Also India has the huge manufacturing base for the textile industry and immense production of raw material. In this Cotton textile is the base of Indian Textile industry. Cotton's share in this industry is 60% whereas other man made fibers are at 25%.

GOVERNMENT INITIATIVES:

1. According to the Ministry of Textiles, investment under the Technology Up gradation Fund Schemes (TUFS) has been increasing steadily. During the year 2009-10, 1896 applications have been sanctioned at a project cost of US\$ 5.23 billion.
2. The cumulative progress as on December 31, 2009, includes 27,477 applications sanctioned, which has triggered investment of US\$ 45.5 billion and amount sanctioned under TUFS is US\$ 18.9 billion of which US\$ 16.4 billion has been disbursed so far till the end of April, 2010.
3. Moreover, in May 2010, the Ministry of Textiles informed a parliamentary panel that it proposes to allocate US\$ 785.2 million for the modernization of the textile industry.
4. The Scheme for Integrated Textile Park (SITP) was approved in July 2005 to facilitate setting up of textiles parks with world class infrastructure facilities. 40 textiles park projects have been sanctioned under the SITP. According to the Minister of State for Textiles, Panabaaka Lakshmi, under the SITP, a cumulative expenditure of US\$ 204.3 million has been incurred against allocation of US\$ 220.7 million in the last three years.

INDUSTRY OUTLOOK:

The textile industry is mainly a labor intensive industry as it provides livelihood to the huge population, mainly consist of unskilled workers, and thus plays a pivotal role in the development of any economy. As this particular industry also comes under the basic necessities of human beings, it impacts a lot to the society as a whole. There has been increase in demand of textile products in last few decades globally, mainly due to rapidly changing social and economic structure of the countries worldwide.

Opportunities & Threats

Your Company is engaged in the dying and designing of Curtains and Bed Sheets which has enormous demand and it is a part of a growing sector that has potential to sustain in the market even during the economic depression that is prevailing in the global economy. The management of your company is making all efforts in finding new markets for the Company's products. Although there is great potential in textile industry, the increasing competition might affect the margins of the Company. We are sure that the current state of economy and particularly of our sector will greatly enhance the performance of the company in the years to come.

Outlook

The Board of Directors of your Company feel that growing domestic demand and increasing scope for exports provide a great chance for your Company to grow in years to come. Your Company is well positioned to take advantage of these opportunities. The coming financial year can be crucial in determining the destiny of your Company.

Internal Control Systems and their adequacy

The control system of the Company consists of standard practices and processes, appropriate audit program and risk monitoring system. The various initiatives taken by the Company has led to further improvement in the control systems of the Company.

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

Human Resources/ Industrial Relations

The Company has realized the importance of right human resources and been aggressively investing in training and development of its personnel. The Company has further adopted various innovative HR policies to gear up to face future challenges and to create a performance driven innovative and flexible organization.

The Company has an excellent track record of maintaining cordial industrial relations right from its inception. This year too industrial relations in the Company were excellent.

ANNEXURE – III**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

Pursuant to Clause 49 of the Listing Agreement, the company presents its report on Corporate Governance.

1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large.

2. BOARD OF DIRECTORS**Composition**

The Board of Directors of your company consists of Two Executive and three Non Executive Independent Directors.

Name of the Director	Category	No. of Other Directorships	No. of Meetings Held	No. of Meetings attended	Whether AGM attended on 30.09.2009
Sandeep Peeti	Chairman & Managing Director	01	6	6	Yes
Rajesh Peeti	Promoter & Executive Director	—	6	6	Yes
Rajkumar Agrawal	Non-Executive & Independent Director	—	6	4	Yes
Rajeev Peeti	Non-Executive & Independent Director	—	6	4	No
Ajay Garg	Non-Executive & Independent Director	—	6	4	No

Date of Board Meetings

During the financial year 2009-10, 6 (Six) Board Meetings were held on the following Dates:

30.04.2009	30.07.2009	01.08.2009
30.10.2009	30.01.2010	30.03.2010

3. Audit Committee:

◆ Brief description of terms of reference

The terms of reference as per Clause 49 of the Listing Agreement are as follows

- a) to review the results announcement and the report and accounts at the end of a quarter, half year and the full year before submission to the board, focusing particularly on:
- (i) Any changes in accounting policies and practices.
 - (ii) Compliance with accepted accounting standards.
 - (iii) Major Judgmental Decisions; etc.
- b) To consider appointment of Statutory Auditors, the Audit Fee, and any matter of resignation and dismissal.
- c) To discuss with the Statutory Auditor before the audit commences the nature and scope of the Audit.
- d) To review the effectiveness of the system of internal financial controls and discuss the same periodically with the statutory auditors.
- e) To discuss problems and reservations arising from the statutory audit and any matters the statutory auditor may wish to discuss.
- f) To consider other topics as may be delegated by the board from time to time.

◆ **Composition**

Audit Committee of your company consists of following three Non-executive Independent Directors:

Sri Rajkumar Agrawal	Chairman
Sri Rajeev Peeti	Member
Sri Ajay Garg	Member

◆ **Meetings during the year**

During the Financial year 2009-2010, the Audit Committee met five times on

30.04.2009	30.07.2009	01.08.2009	31.10.2009	31.01.2010
------------	------------	------------	------------	------------

ATTENDANCE

NAME	No of meetings Held	No of meeting Attended
Sri Rajkumar Agrawal	5	4
Sri Rajeev Peeti	5	4
Sri Ajay Garg	5	4

4. Remuneration Committee:**Term of reference**

- The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

Remuneration Committee of your company consists of following three Non-executive Independent Directors

Sri Rajkumar Agrawal	Chairman
Sri Rajeev Peeti	Member
Sri Ajay Garg	Member

Remuneration Paid to the directors for the financial year 2009-10.

Name of Director	Sitting Fees	Salary & Perks	Total
Sandeep Peeti	Nil	9, 00,000	9, 00,000
Rajesh Peeti	Nil	7, 14,420	7, 14,420
Sri Rajeev Peeti	Nil	Nil	Nil
Sri Ajay Garg	Nil	Nil	Nil
Sri Rajkumar Agrawal	Nil	Nil	Nil

5. Investors and Shareholders Grievance Committee:**◆ Brief description of terms of reference:**

To supervise and ensure:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- (ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (iii) Issue of duplicate / split / consolidated share certificates;
- (iv) Allotment and listing of shares;
- (v) Review of cases for refusal of transfer / transmission of shares and debentures;
- (vi) Reference to statutory and regulatory authorities regarding investor grievances;
- (vii) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

To look into various affairs relating to the shareholders with regard to redressal of complaints in relation to transfer of shares, non-receipt of share certificates, balance sheets, dividends etc.,

◆ Composition

Investor & Shareholders Grievance Committee of your company consists of following three Non-executive Independent Directors

Sri Rajkumar Agrawal	Chairman
Sri Rajeev Peeti	Member
Sri Ajay Garg	Member

Name & Designation of the Compliance Officer:

Name : Mr. Rajesh Peeti
Designation : Executive Director

No. of shareholders complaints received during the Financial Year : Nil
No. of complaints solved to the satisfaction of the share holders : Nil
No. of pending complaints : Nil

6. GENERAL BODY MEETINGS

Location and time where the last three Annual General Meeting held:

Year	AGM	Venue	Day & Date	Time
2008-09	15 th AGM	Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.	Wednesday 30 th Sep, 2009	10.00 A.M
2007.08	14 th AGM	Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.	Tuesday 30 th Sep, 2008	10.00A.M.
2006-07	13 th AGM	Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.	Saturday 29 th Sep, 2007	10.00A.M.

POSTAL BALLOT

No resolution was passed through postal ballot during the year ended 31st March, 2010. No Special Resolution is proposed to be conducted through Postal ballot at the ensuing Annual General Meeting

7. DISCLOSURES

- i. Materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large .
- ii. Details on non-compliance by the company, penalties and strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - **NIL**

8. MEANS OF COMMUNICATION:

- a. Quarterly Financial Results are furnished to the Bombay Stock Exchange as per clause 41 of the Listing Agreement.
- b. The Quarterly Unaudited Financial Results of the Company are published in Financial Chronicle and Andhrabhoomi Hyderabad editions.
- c. Management Discussion and Analysis forms part of the Directors' Report.
- d. Compliance certificate forms part of the Director's Report.

9. GENERAL SHAREHOLDER INFORMATION:**Annual General Meeting:**

Day, Date and time : Thursday, 30th September, 2010 at 10.00 A.M.
 Venue : Bhagyanagar Functional Hall,
 L. B. Nagar, Hyderabad.

Financial Calendar

EVENT	DATES
First quarter un-audited (Provisional) financial results	15 th August, 2010
Second quarter un-audited (Provisional) financial results	15 th November, 2010
Third quarter un-audited (Provisional) financial results	15 th February, 2011
Fourth quarter un-audited (Provisional) financial results.	15 th May, 2011

Book Closure Date : Tuesday 28th September to Thursday 30th September, 2010 (both days inclusive)

Listing on Stock Exchanges : The shares of the company are listed on The Bombay Stock Exchange Limited.

Stock Code : BSE Code – 531352

Market Price Data : Not Quoted

Registrar and Share : CIL Securities Limited

Transfer Agents : 214, Raghav Ratna Towers, Chirag-ali-lane
 Abids, Hyderabad-500 001

Phone: 040 –23203155/23202465

Fax: 040 - 23203028

Share Transfer System:

All the physical share transfers received are processed by the Share Transfer agents, M/s CIL Securities Limited, Hyderabad. The Company's shares are being traded in compulsory Demat form. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the company's shares to be transferred electronically through Depositories System.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2010:

Sl no	Category	No. of Shares Held	% of Shareholding
A1	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP INDIAN		
	Individuals/Hindu Undivided Family	914650	24.39
	Central Government /State Government(s)	-----	-----
	Bodies Corporate	342900	9.14
	Financial Institutions/Banks	-----	-----
	Sub Total of A1	12,57,550	33.53
	FOREIGN		
	Individuals (Non-Residents)	-----	-----
	Bodies Corporate	-----	-----
	Institutions	-----	-----
Any Other (Specify)	-----	-----	
Sub Total of A2			
	TOTAL PROMOTERS SHAREHOLDING (A1 +A2)	12,57,550	33.53
B1	Public Shareholdings		
	Institutions Mutual Funds and UTI	65500	1.75
	Banks/Financial Institutions	-----	-----
	Central Government/State Government	-----	-----
	Venture Capital Funds	-----	-----
	Insurance Companies	-----	-----
	Foreign Institution Investor	-----	-----
	Foreign Venture Capital Investors	-----	-----
	Any Other (Specify)	-----	-----
	Sub Total B1	65500	1.75
	Non Institutions		
	Bodies Corporate		
	Individuals share holders holdings	390350	10.41
Any Other (Specify)	2037000	54.31	
NRIs/OCBs	-----	-----	
Foreign Collaborators	-----	-----	
Clearing Members	-----	-----	
Sub Total B2	24,27,350	64.72	
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	24,92,850	66.47
C	Shares held by Custodian and against which Depository Receipts have been issued	--	--
	TOTAL A+B+C	37,50,400	100

Distribution of Shareholding:Distribution of Shareholding as on 31st March, 2010

Sl. No.	Category From - To Rs Ps	No. Of Holders	% Of Holders	No. Of Shares	% Of Shares
1	Up to - 5000	1799	95.08	11, 70,400	31.21
2	5001 - 10000	52	2.75	3, 76,400	10.04
3	10001 - 20000	20	1.06	2, 71,400	7.24
4	20001 - 30000	6	0.32	1, 38,600	3.70
5	30001 - 40000	0	0.00	—	—
6	40001 - 50000	1	0.05	50,000	1.33
7	50001 - 100000	8	0.42	6, 21,700	16.57
8	100001 and above	6	0.32	11, 21,900	29.91
	Total	1892	100.00	37, 50,400	100.00

Dematerialization of shares and liquidity: Since the Company has already entered into an agreement with both the depositories, Viz. NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any depository participant.

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity - Nil

Address for correspondence :

CIL Securities Limited
214, Raghav Ratna Towers
Chirag-ali-lane
Abids, Hyderabad - 500 001.
Phone: 040 -23203155/23202465
Fax: 040-23203028.

CEO&CFO CERTIFICATION

: The Chairman & Managing Director and the chief financial Officer of the Company annual certificates on financial reporting and internal control to the board in terms of clause 49.

**DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE
FCONDUCT AND ETHICS**

M/s Peeti Securities Limited has adopted a code of Business conduct and ethics (The Code) which applies to all the employees and Directors of the Company. Under this Code, it is the responsibility of all employees and directors to familiarize themselves with the code and comply with its standards. I Sandeep Peeti, Chairman & Managing Director hereby certify that the Board members and senior management personnel of the Company have affirmed compliance with the code for the financial year 2009-2010.

Sd/-
Sandeep Peeti
Chairman cum managing Director

**ANNEXURE-IV
COMPLIANCE CERTIFICATE**

Reg. No. of the Company : 018779
Authorized Capital : Rs. 4, 50, 00,000/-
Paid-up Capital : Rs. 3, 75, 04,000/-

To
The Members,
Peeti Securities Limited
Survey No.71, Opp. BSNL Office,
Beside MP Hardware lane,
Old Kurnool Road, Kattedan,
Hyderabad - 500077.

We have examined the registers, records, books and papers of M/s Peeti Securities Limited (The Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, and its officers, we certify that in respect of the aforesaid financial year that:

1. The Company has kept and maintained all registers as stated in **Annexure A** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure B** to this certificate, with the Registrar of Companies, Andhra Pradesh.
3. The company being a public limited company comments are not required.
4. The Board of Directors duly met six times on 30.04.2009, 30.07.2009, 01.08.2009, 30.10.2009, 30.01.2010, 30.03.2010 in respect of which proper notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from Monday 28th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive) for the purpose of 15th Annual General Meeting and has complied with the provision of the Act.
6. The Annual General Meeting of the Company for the financial year ended 31st March, 2009 was held on 30.09.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors and/or the persons or firms or companies referred to under Section 295 of the Act during the year under review.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under review.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act during the financial year under review and as such company was not required to obtain any approval from the Board of Directors, members or the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year under review.

13. The Company has
 - i) Delivered all the certificates on Transfer of shares in accordance with the provisions of the Act.
 - ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review.
 - iii) No amounts lying with it in unpaid dividend account or any application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years or more.
 - iv) Complied with requirements of Section 217 of the Act for the financial year under review.
 14. The Board of Directors of the Company is duly constituted, Mr. Raj Kumar Agrawal, the retiring director is reappointed as director by the members in the 15th Annual General Meeting held on 30th September, 2009 and there were no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
 15. The Company has not appointed/re-appointed any Managing Director /whole-time director / Manager during the financial year.
 16. The Company has not appointed any sole-selling agents during the financial year under review.
 17. There were no instances wherein the Company has to obtained any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under during the financial year.
 19. The Company has not allotted any shares/debentures/other securities during the financial year under review.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of Preference Shares / Debentures during the financial year under review as the company has not issued any preference shares or debentures.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited any deposits falling within the purview of Section 58A during the financial year under review.
 24. The company has not borrowed any amounts from its Directors, members, public, financial institutions, banks and others during the financial year under review.
 25. The Company has not given any guarantees or made investments in other bodies corporate falling within the purview of the section 372A of the Companies Act, 1956 during the financial year under review.
 26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
 27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
 28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
 29. The Company has not altered the provisions of the memorandum with respect to share capital during the financial year under review.
-

30. The Company has not altered its Articles of Association during the financial year under review.
31. As per the information given by the officers of the Company, there were no prosecutions initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Sd/-

PLACE: Hyderabad
DATE : 01.08.2010

B L Chandrasekhar Sarma
Practicing Company Secretary
C.P.No:8199

STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY

1. Register of Directors' U/s 303
2. Register of Directors' Shareholdings U/s 307
3. Register of Members U/s 150
4. Minutes of Board Meetings U/s 193
5. Minutes of Annual and Extra-Ordinary General Meetings U/s 193
6. Register of contracts, firms and Companies in which Directors are interested U/s 301 (3).
7. Register of Charges U/s 143
8. Register of Investment U/s 372A

ANNEXURE – B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2010

Sl. No.	Forms Returns	Section	Purpose	Remarks
1.	Compliance Certificate	383A	For the Financial Year 2008 - 2009	Filed with Additional fee on 28.01.2010
2.	Balance Sheet	220	For the Finance Year 2008 – 2009	Filed with Additional fee on 28.01.2010
3.	Annual Return	159	as on 30 th September 2009	on 29.01.2010

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To
The Members
PEETI SECURITIES LTD
HYDERABAD.

We have examined the compliance of conditions of Corporate Governance of PEETI SECURITIES LTD for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the company with Stock Exchanges.

The Compliance of the conditions of the corporate governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances were pending for the period exceeding one month against the Company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.K.A. Associates
Chartered Accountants

Sd/-
Manoj Kumar Agarwal
(Partner)

Membership No: 201740
Firm Reg. No. 05992S

Place: Hyderabad
Date: 01.08. 2010

AUDITOR'S REPORT

To
The Members;

PEETI SECURITIES LIMITED

1. We have audited the attached Balance Sheet of PEETI SECURITIES LIMITED as at 31st March, 2010 and related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Statement on Companies (Auditor' Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4A of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in Annexure referred to in Paragraph 3 above , we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of accounts as required by law, have been kept by the Company, so far as appear from our examination of these books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on records, none of the Directors of the company is, prima-facie, as at 31st March, 2010 disqualified from being appointed as Director of the Company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India.
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and:
 - ii) In so far as it relates to Profit and Loss Account of the profit of the Company for the year ended as on that date.
 - iii) In the case of Cash Flow statement, of the Cash Flow Statement for the year ended on that date.

For **MKA ASSOCIATES.**

Chartered Accountants.

Sd/-

MANOJ KUMAR AGARWAL

(Partner)

Place: Hyderabad
Date : 15th MAY 2010

Membership No. 201740
Firm Reg. No. 005992S

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2010 of PEETI SECURITIES LIMITED).

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us that the management has physically verified the major fixed assets of the company in a phased manner, designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of the assets. No material discrepancies were noticed on such verification.
 - c) As per the information and explanations given to us no substantial part of the fixed assets have been disposed off during the year, which affect the ability of the company to continue as a going concern.
 - (ii) a) The stock of Finished Goods and Raw Material lying in the factory have been Physically verified by the management during the year-end at reasonable intervals. In our opinion and according to information and explanations given to us the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of its inventories and the discrepancies noticed on such physical verification between the physical and book stock were not material and have been adequately dealt with in the books of accounts.

 - (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to Purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weaknesses in the internal controls.
 - (v) a) In our opinion and according to the information and explanations given to us, the Company has not transacted any transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) Sub-clause (b) is not applicable
 - (vi) According to the information and explanations given to us, the company has not accepted any deposits from public during the year within the meaning of section 58 A of the Companies Act, 1956 and the rules framed there under.
 - (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
 - (viii) According to the information and explanations given to us maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, for any of the activities of the Company.
 - (ix) a) According to the information and explanations given to us, and the Company has been regular in depositing undisputed statutory dues such as Employee's State insurance, income tax, sales tax, excise duty, cess and other material statutory dues applicable to it with appropriate authorities during the year.
-

- b) As explained to us there were no undisputed arrears of the statutory dues as at 31-03-2010 for a period more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, wealth-tax, sales tax, custom duty, excise duty and cuss which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and timely entries have made therein. The investments are held by the company in its own name or held with valid transfer deeds.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from a bank or financial institution.
- (xvi) The company has not obtained any term loans; accordingly, the question of reporting on its application does not arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The company has not issued any debentures. Accordingly, the question of creating a security for such debentures does not arise.
- (xx) The company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **MKA ASSOCIATES.**

Chartered Accountants.

Sd/-

MANOJ KUMAR AGARWAL

(Partner)

Membership No. 201740

Firm Reg. No. 005992S

Place: Hyderabad

Date : 15th MAY 2010

BALANCE SHEET AS ON 31ST MARCH, 2010

	SCH. NO.		AS ON 31.03.2010 AMOUNT (RS.)	AS ON 31.03.2009 AMOUNT (RS.)
I. SOURCES OF FUNDS:				
1. Share Holder's Funds :				
Share Capital	1		37,504,000	37,504,000
2. Secured Loans	2		591,722	933,029
3.DEFERRED TAX LIABILITY (NET)			511,761	511,761
TOTAL:			38,607,483	38,948,790
II. APPLICATION OF FUNDS:				
1. Fixed Assets				
a) Gross Block	3	20,398,613	20,337,383	
b) Less Depreciation		4,618,469	3,932,900	
Net Block			15,780,145	16,404,484
2. Investments	4		3,034,961	3,084,961
3. Current Assets, Loans and Advances				
a) Inventories	5	5,696,390	5,423,897	
c) Sundry Debtors	6	9,604,305	7,040,482	
d) Cash & Bank Balances	7	3,447,251	6,167,945	
e) Loans & Advances	8	2,527,209	3,209,233	
		21,275,155	21,841,557	
4. Less: Current Liabilities & Provisions	9	4,037,005	4,981,720	
Net Current Assets			17,238,150	16,859,837
5. Profit & Loss Account			2,554,228	2,599,509
(Debit Balance to the extent not adjusted)				
TOTAL :			38,607,483	38,948,790
Significant Accounting Policies & Notes on Accounts	16			
Schedules 1 to 16 form an integral part of the Accounts				

As per our Audit Report of even date.

For and on behalf of the Board.

For MKA ASSOCIATES
Chartered Accountants

Sd/-
SANDEEP PEETI
Chairman & Managing Director.

MANOJ KUMAR AGARWAL
Partner
Place: Hyderabad.
Date : 15-05-2010

Sd/-
RAJESH PEETI
Executive Director.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCH. NO.	FOR THE YEAR ENDED 31.03.2010 AMOUNT (Rs.)	FOR THE YEAR ENDED 31.03.2009 AMOUNT (Rs.)
I. INCOME			
Sales	10	63, 234, 769	39, 638, 357
Other Income	12	258, 757	498, 519
Accretion/(Desertion) to Stock	11	1, 578, 387	347
TOTAL: (A)		65, 071, 912	40, 137, 223
II. EXPENDITURE			
Raw Material Consumed/Purchases	13	56, 432, 458	29, 047, 789
Manufacturing Expenses	14	3, 482, 752	7, 530, 547
Operating & Other Expenses	15	4, 278, 752	3, 707, 892
Interest & Financial Charges		112, 641	115, 127
Depreciation	3	685, 569	546, 790
TOTAL: (B)		64, 992, 325	40, 948, 145
Profit/ (Loss) for the year (A-B)		79, 587	(810, 922)
Less Prior Year Adjustments			
For Taxes		—	(12, 895)
Towards Others		15, 246	—
		64, 341	(823, 817)
LESS: Provision for Income Tax			
Current Tax		19, 060	0
Deferred Tax (Liability)/Assets		—	0
Fridge Benefit Tax		—	(54000)
Profit/ (Loss) after Tax		45, 281	(877, 817)
Deficit brought forward from Previous year		(2, 599, 509)	(1, 721, 692)
surplus/ (Deficit) Carried to Balance Sheet		(2, 554, 228)	(2, 599, 509)
Basic and Diluted Earning Per Share		0.03	(0.23)
Significant Accounting Policies & Note on Accounts Schedules 1 to 16 from an integral part of the Accounts	16		

As per our Audit Report of even date.

For and on behalf of the Board.

For MKA ASSOCIATES

Chartered Accountants

Sd/-

SANDEEP PEETI

Chairman & Managing Director.

MANOJ KUMAR AGARWAL

Partner

Place: Hyderabad.

Date : 15-05-2010

Sd/-

RAJESH PEETI

Executive Director.

PEETI SECURITIES LIMITED
SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - 3
FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 04.01.2009	Additions During the Year	Deletion Made During the year	Total	Upto 31.03.2009	For the year 2009-10	Deletion For the year 2009-10	Depreciation Total	W.D.A.as on 31.03.2010	W.D.V.as on 31.03.2009
Land	12,351,600.00	---	---	---	12,351,600.00	---	---	---	12,351,600.00	12,351,600.00
Computers	1,52,670.00	37,050.00	---	1,89,720.00	58,737.00	28,563.00	---	87,300.00	1,02,420.00	93,933.00
Vehicles (Two Wheelers)	62,892.00	---	---	62,892.00	20,002.00	5,976.00	---	25,978.00	36,914.00	42,890.00
Office Equipment	4,41,671.50	24,180.00	---	4,65,851.50	45,786.00	21,694.00	---	67,480.00	3,98,371.00	3,95,885.00
Vehicles	4,471,339.00	---	---	4,471,339.00	1,932,268.00	424,776.00	---	2,357,044.00	2,114,295.00	2,539,071.00
Plants & Machinery	2,423,112.51	---	---	2,423,112.51	1,775,768.51	179,796.00	---	1,955,564.51	467,548.00	647,344.00
Furniture & Fixture	2,62,464.00	---	---	2,62,464.00	62,720.00	16,612.00	---	79,332.00	183,132.00	199,744.00
Air Conditioners	1,71,634.00	---	---	1,71,634.00	37,618.00	8,152.00	---	45,770.00	1,25,864.00	1,34,016.00
TOTAL	20,337,383.01	61,230.00	---	20,398,613.01	3,932,899.51	685,569.00	---	4,618,468.51	15,780,144.50	16,404,483.50
Previous Year	17,744,687.01	2,713,067.00	1,20,371.00	20,337,383.01	3,459,696.51	546,790.00	73,587.00	3,932,899.51	16,404,483.50	14,284,990.50

SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2010 AMOUNT (RS.)	AS ON 31.03.2009 AMOUNT (RS.)
SCHEDULES – 1		
SHARE CAPITAL		
AUTHORISED		
45, 00, 000 Equity Share of Rs. 10/- each	45, 000, 000	45, 000, 000
Issued, Subscribed & Paid up Capital		
37, 50, 400 Equity Shares of Rs.10/- each fully Paid Up	37, 504, 000	37, 504, 000
SCHEDULES – 2		
SECURED LOANS		
Term Loan form HDFC Bank	591, 722	933, 029
	591, 722	933, 029
SCHEDULES – 4		
INVESTMENTS		
Current Investment		
In Units of Mutual Funds-Non Trade		
HDFC Growth Fund	—	25, 000
(No of Units: 233.328) Sold during the Year		
Reliance Mutual Fund	—	25, 000
Reliance Growth Fund Retail Plan		
(No of Units: 118.685) sold during the Year		
Long Term Investment		
20 Equity Shares of Larsen & Turbo Ltd	25, 361	25, 361
(Face Value Rs 2)		
(Market Value: Rs 32980.00 as on 31-03-2010)		
15000 Equity Shares of		
Theme Ambience Resorts & Hotel P LTD		
(Face Value Rs 100 – Unquoted, Non Trade)	3,000,000	3,000,000
Silver Coins	9,600	9,600
	3,034,961	3,084,961
SCHEDULES – 5		
INVENTORIES		
(As Certified by the Management)		
(At lower of cost or net realizable Value)		
Raw Material	225, 588	1, 531, 482
Finished Goods:		
Finished Cloth	5, 253, 963	3, 669, 418
Realizable Waste	3, 444	9, 602
Stock of Shares & Other Securities	213, 395	213, 395
	5, 696, 390	5, 423, 897

SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2010		AS ON 31.03.2009	
	AMOUNT (RS.)		AMOUNT (RS.)	
SCHEDULES - 6				
SUNDRY DEBTORS				
(Un-secured but considered good)				
Outstanding for more than six months		613, 429		278, 183
Others considered good		8, 990, 876		6, 762, 299
		9, 604, 305		7, 040, 482
SCHEDULES - 7				
CASH & BANK BALANCES				
Cash in hand		15, 238		116, 216
Balance with Schedule Banks				
In Current Accounts		3, 432, 013		431, 925
In Deposit Accounts		—		5, 619, 804
		3, 447, 251		6, 167, 945
SCHEDULES - 8				
LOANS & ADVANCES				
Intercorporate Loans		20, 850		208, 208
(Un- secured but considered good)				
Other Loans & Advances		290, 000		550, 000
(Recoverable in Cash or in kind for value to Be received un-secured considered good)				
Deposits		378, 111		794, 791
Advance Tax / T.D.S		59, 934		81, 862
Advances to Suppliers		185, 241		
Advance for purchase of Property		1, 500, 000		1, 500, 000
Prepaid Insurance		31, 573		36, 972
Staff Advances		61, 500		37, 400
		2, 527, 209		3, 209, 233
SCHEDULES - 9				
CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
Sundry Creditors	236, 872		2, 027, 005	
Outstanding Liabilities	2, 917, 996	3, 154, 868	2, 037, 638	4, 064, 643
B. PROVISIONS:				
Provision for Gratuity	863, 077	863, 077		
Current Tax	19, 060	—		
Fringe Benefit Tax	—	882, 137	54, 000	917, 007, 00
		4, 837, 005		4, 981, 720
SCHEDULE - 10				
SALES				
Sale -Textile Division		63,234,769		39,611,969
Sales of Shares & Securities		—		26,388
		63,234,769		39,638,357

SCHEDULES FORMING PART OF ACCOUNTS	AS ON 31.03.2010 AMOUNT (RS.)	AS ON 31.03.2009 AMOUNT (RS.)
SCHEDULE - 11		
ACCRETION/(DECRETION) IN STOCK		
Opening Stock of Shares & Other Securities	213,395	221,700
Closing Stock of Shares & Other Securities	<u>213,395</u>	<u>213,395</u>
	A	(8,305)
Opening Stock of Textiles items	3,679,020	3,670,368
Closing Stock of Textiles items	<u>5,257,407</u>	<u>3,679,020</u>
	B	8,652
Total (A+B)	<u><u>1,578,387</u></u>	<u><u>347</u></u>
SCHEDULE - 12		
OTHER INCOME		
Dividend	70,150	47,670
Interest Earned	119,245	251,771
Profit on sale of Investments	69,362	-
OTHER INCOME	<u>-</u>	<u>199,078</u>
	<u><u>258,757</u></u>	<u><u>498,519</u></u>
SCHEDULE - 13		
RAW MATERIAL CONSUMED		
Opening Stock	1,531,482	3,005,209
Purchase - Synthetic Yarn	1,071,810	4,928,463
Purchases of Grey Cloth	4,981,721	8,615,319
Carriage Inward	-	19,455
	<u>7,585,013</u>	<u>16,568,446</u>
LESS: Closing Stock	225,588	1,531,482
Raw Material Consumed	<u>7,359,425</u>	<u>15,036,964</u>
Purchase of Finished Cloth	<u>49,073,033</u>	<u>14,010,825</u>
	<u><u>56,432,458</u></u>	<u><u>29,047,789</u></u>
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Consumables	-	25,750
Wages & other benefits to Employee	1,141,126	1,072,819
Electricity Charges	138,462	125,683
Weaving Charges	452,585	1,370,068
Jobwork - Printing & Dying	858,860	4,449,815
Packing Material	411,871	366,412
Factory Rent	480,000	120,000
	<u>3,482,904</u>	<u>7,530,547</u>
SCHEDULE - 15		
OPERATING AND OTHER EXPENSES		
Auditor's Fee	28,060	28,060
Bad Debts written off	4,431	380,072
Carriage Outwards	103,098	70,766
Insurance	59,208	38,859
Postage, Telgrams & Telephones	160,967	146,456
Printing & Stationery	60,166	53,015
Professional fees	33,456	59,954
Rent, Rates & Taxes	147,800	159,779
Repairs & Maintenance- Premises	428,476	231,229
Repairs to Plant & Machinery	86,538	85,294
Sales Commission	692,835	349,358
Stock Exchange Fee & Charges	370,877	19,288
Travelling & Conveyance	373,013	363,040
Managerial Remuneration	1,476,000	1,476,000
Miscellaneous Expenses	253,828	246,722
	<u>4,278,752</u>	<u>3,707,892</u>

SCHEDULE-16**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES:****a) Accounting Assumption:**

The Accounts have been prepared under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual, including provision/adjustments for committed obligations and amounts determined as payable or receivable during the year.

b) Fixed Assets and Depreciation :

- i) Fixed Assets are stated at historical cost less accumulated depreciation. The cost of the Assets includes Purchase price, freight, installation cost, duties, taxes and other direct incidental expenses for bringing the assets to working condition.
- ii) Depreciation has been provided on straight-line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956.

c) Inventories.

Stock of Shares is valued at lower of Cost or Estimated Net realizable Value. In case realizable value is not ascertainable due to non-availability of Quotation in the Stock Markets, the value of such Shares is adopted at Rs.0.10 np per Share.

The Raw materials & Work in progress is valued at cost. Finished goods are valued at lower of Cost or Estimated Net realizable Value. The Cost is based on the 'First in First out method'.

d) Revenue Recognition:

- i) Revenue is recognized on sale of yarn, grey cloth and finished cloth on dispatch of goods from the factory. Sales are recorded net of rebate, trade discounts and returns but include excise duty.
- 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.

e) Retirement Benefits :

Gratuity: Provision is made towards retirement gratuity for the Employees who have completed 5 years of service and those in the opinion of the board are expected to complete 5 years of service in the future.

f) Income Tax:

Provision for current tax is made on the basis of Estimated Taxable Income of the Current Accounting Year in accordance with Income Tax Act, 1961. The Deferred Tax liability/asset for timing difference between the book and tax profits for the year is accounted for, based on current tax Rates. Deferred Tax assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such asset items can be realized

g) Investments:

Long term investments are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value. Unit of mutual funds though held as current investments and are valued at cost.

2. NOTES ON ACCOUNTS:**1. Contingent Liabilities:**

- | | | |
|----------------------------------------------------------------------------------------------|---|---------------------------|
| a) Claims against Company not acknowledged as debts: | : | NIL (Previous year NIL) |
| b) Liability on partly paid-up shares | : | NIL (Previous year NIL) |
| c) Contracts Remaining to be Executed on Capital Accounts | : | NIL (Previous year NIL) |
| 2. Value of imports on CIF basis | : | NIL NIL |
| 3. Expenditure in Foreign Currency | : | NIL NIL |
| 4. Earnings in Foreign Currency | : | NIL NIL |
| 5. Quantity Particulars as required Under Part II of Schedule VI of the Companies Act, 1956. | | |

Capacity & Production	Production	
Class of Product	31.03.2010	31.03.2009
Grey cloth (in Mtrs) (Production Thru Job works)	2,91,166	8, 34,837

As certified by the management

6. Disclosure in accordance with Section 22 of Micro Small and Medium Enterprises Development Act 2006.

Sl. No.	PARTICULARS	As at March 31 st 2010 (In Rupees)
a.	Principal amount remaining unpaid and interest due thereon	Nil
b.	Interest paid in term of section 16	Nil
c.	Interest due and payable for the period of delay in payment	Nil
d.	Interest accrued and remaining unpaid	Nil
e.	Interest due and payable even in succeeding	Nil

- i) No amount is due to Small Scale Industrial Undertaking to whom the company owes a sum exceeding Rs. 1, 00,000/- for more than 30 days.
- ii) This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7. Turnover, Closing Stock and Opening Stock

(Rs. In Lakhs)

Class of Products	Turnover		Closing Stock		Opening Stock	
	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.
Yarn (PFY) (in M.T)	—	—	—	—	0.086	7.31
(Previous Year)	—	—	(0.086)	(7.31)	(0.063)	(5.13)
Grey Cloth (in Mtrs)	6.63	62.85	0.32	2.26	1.07	8.01
(Previous Year)	(6.27)	(59.98)	(1.07)	(8.01)	(1.96)	(24.92)
Finished Fabrics (Mtrs)	22.52	569.50	1.97	52.57	2.06	36.79
(Previous Year)	(15.95)	(336.14)	(2.06)	(36.79)	(2.79)	(36.68)

Raw Material Consumed:	31.03.2010		31.3.2009	
	QTY (In M.Ts)	Amt. (Rs. In Lakhs)	QTY (In M.Ts)	Amt. (Rs. In Lakhs)
PFY	0.15	10.71	0.68	49.29

8. Managerial Remuneration:

31-03-2010

31-03-2009

Managing Director.

1) Salary	7, 20,000.00	7, 20,000.00
2) House Rent Allowance	1, 80,000.00	1, 80,000.00
	9, 00,000.00	9, 00,000.00

Executive Director.

1) Salary	5, 76,000.00	5, 76,000.00
2) Value of Perquisites	1, 38,420.00	1, 25,688.00
	7, 14,420.00	7, 01,688.00

9. The Detail of Auditors Remuneration as per Clause 4B of Schedule VI as follow:

S. No.	Particulars	Amount (In Rs.)	Amount (In Rs.)
		31-03-2010	31-03-2009
a.	As Auditors	10, 000.00	10, 000.00
b.	As Advisor or any other Capacity, in respect of:		
	i). Taxation Matters	8, 060.00	8, 060.00
	ii). Company Law Matters	0.00	0.00
	iii). Management Services	0.00	0.00
c.	In any other Matters	10, 000.00	10, 000.00
	Total	28, 060.00	28, 060.00

10. Related Party Disclosure:

(The information is given as compiled and certified by the management.)

List of Related Parties:

Name of Relation	Name of Related Party
1. Wife Of Managing Director	1. Nisha Peeti
2. Wife of Executive Director	2. Sonika Peeti

Directors & Key Managerial Personnel.

- Sandeep Peeti
- Rajesh Peeti

Other Associates and Related Concerns

- Peeti & Co

Transaction with Related Party

(Rs. In lakhs)

Nature of Transaction	Director & KMP	Relative of directors & other Related concerns
Remuneration	14.76	—
Perquisites	1.38	—
Rent	—	4.80
Balances Outstanding as on 31-03-2010	—	—
Rent Deposit	—	3.00
Remuneration Outstanding	13.56	—
Rent Outstanding	—	2.19

11. Segment Reporting: Disclosures requirements of Accounting Standard -17 are not applicable for the Company for the current year 2009-2010. As the Company has been operating in a single Segment i.e. Manufacturing & Trading in Textiles.

12. Prior Year Expenditure debited to Profit & loss Account represents expenses pertaining to prior years of Rs. 15,246/-.

13.No additional provision has been made in current year for Gratuity as existing provision is sufficient to meet any Contingent payment to be made on this account.

14. Computation of Earnings Per Share:

Particulars	For the F.Y 2009-10	For the F.Y 2008-09
Profit & (Loss) for the year after provision for Taxation but before Prior Year adjustments	Rs. 60, 527	Rs (8, 64, 922)
No. Of Shares	37, 50, 400	37, 50, 400
Earning / (Loss) Per Share	Rs. 0.02	Rs (0.23)

15. Previous Year's Figures have been regrouped, rearranged and reclassified wherever necessary.

As per our Audit Report of even date.

For and on behalf of the Board.

For MKA ASSOCIATES

Chartered Accountants

MANOJ KUMAR AGARWAL

Partner

Sd/-

SANDEEP PEETI

Chairman & Managing Director.

Sd/-

RAJESH PEETI

Executive Director.

Place: Hyderabad.

Date : 15-05-2010

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details:

Registration No.	18779	18779
State code	1	1
Balance Sheet date	31st March, 2010	31st March, 2009

2. Capital Raised during the year:

Public Issue	Nil	Nil
Rights Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Issue	Nil	Nil

3. Position of Mobilization and Development of Funds:

Total Liabilities	38,607,483	38,948,790
Total Assets	38,607,483	38,948,790

Sources of Funds:

Paid up Capital	37,504,000	37,504,000
Secured Loans	—	—
Un-secured Loans	—	—

Application of Funds:

Net Fixed Assets	15,780,145	16,404,484
Net Current assets	17,238,150	16,859,837
Profit & Loss a/c (Accumulated Losses)	2,554,228	2,599,509

4. Performance of the Company:

Income	65,071,912	40,137,223
Total Expenditure	64,992,325	40,148,145
Profit/ (Loss) before Tax	64,341	(810,922)
Profit/ (Loss) After Tax	5,281	(877,817)
Earning/ (Loss) per Share	0.03	(0.23)
Dividend Rate	Nil	Nil

5. Generic Names of Principal Products/Service of the company

	Description
PRODUCTS	i). Finishing Cloths

For **MKA. ASSOCIATES**
Chartered Accountants

For and on Behalf of the Board of Directors.

Sd/-
MONOJ KUMAR AGARWAL
(Partner)

Sd/-
SANDEEP PEETI
Managing Director.

Sd/-
RAJESH PEETI
Executive Director

Place: Hyderabad
Date : 15-5-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

For the Year Ended	For the Year Ended
31.03.2010	31.03.2009

Particulars	Rs (in Lakhs)	Rs (in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(Loss) before Tax & Extraordinary Items	0.80	(8.11)
Depreciation	6.86	5.47
Interest Paid	0.90	1.15
Dividend Earned	(0.70)	0.02
Interest Received	(1.16)	
Profit on sale of Investment	(0.69)	6.64
Operating Profit/(Loss) before working capital changes	6.01	(1.47)
Adjustments for:		
Trade Receivables & Other Receivables	(18.80)	98.87
Inventory	(2.72)	14.73
Trade Payable & other Current Liabilities	(9.10)	13.52
	(30.62)	127.12
Cash Generated/(Outgo) from Operation	(24.61)	125.65
Direct Taxes paid	(0.54)	(3.35)
Cash Flow before extraordinary item	(25.15)	122.30
Prior period adjustments	(0.15)	—
Net Cash Flow/(used) from/in Operating Activities (A)	(25.30)	122.30
B CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase)/decrease in investment	1.18	(30.84)
Decrease/(Increase) in Fixed Assets	(0.61)	(26.69)
Dividend Earned	0.70	
Interest Earned	1.19	
Net cash Flow/(used) from/in Investing Activities (B):	2.46	(57.53)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Share Capital	—	—
Secured Loans	(3.41)	(11.26)
Unsecured Loans	—	—
Interest Paid	(0.90)	(1.15)
Net cash Flow/(used) from/in Investing Activities (B):	(4.32)	(12.41)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(27.16)	52.36
Cash and Cash equivalent (Opening)	61.66	9.30
Cash and Cash equivalent (Closing)	34.50	61.66

Schedules 1 to 16 form an integral part of the Accounts

For **MKA. ASSOCIATES**

For and on Behalf of the Board of Directors.

Chartered Accountants

MANOJ KUMAR AGARWAL
(Partner)

Sd/-
SANDEEP PEETI
Managing Director

Sd/-
RAJESH PEETI
Executive Director

Place: Hyderabad
Date : 15-5-2010.

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of M/s Peeti Securities Limited derived from the Audited Financial Statements for the year ended 31st March 2010 and found the same to be drawn in accordance and with also with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges.

For **MKA ASSOCIATES**
Chartered Accountants

Sd/-
MANOJ KUMAR AGARWAL
(Partner)

Place: Hyderabad

Date: 15-05-2010

PEETI SECURITIES LIMITED

Survey No: 71, Opp: BSNL Office, Beside MP Hardware Lane, Old Kurnool
Road Kattedan, Hyderabad - 500077

**SIXTEENTH ANNUAL GENERAL MEETING
ATTEDANCE SLIP**

DP ID..... FOLIO NO.....
Client ID..... No. Of. Shares.....

(To be filled by Share Holder)

I hereby record my presence at the 16th Annual General Meeting of the Company being held on 30th September 2010 at 10 a.m. at Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.

Full Name of the Member.....
(In BLOCK LETTERS)

Reg. Folio No..... No. of Shares Held..... Full
Name of Proxy
(In BLOCK LETTERS)

Signature(s) of the member(s) or Proxy/Proxis present.

PROXY FORM

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

I/We of
In the district of
Being a member(s) of **PEETI SECUTIES LIMITED** HEREBY
Appoint in the district of
..... of failing him/her
..... of.....
in the district of.....

As my/our Proxy to attend and vote for me/'s and on my/our behalf at the 16th nnual General Meeting of the Company to be held on 30th September 2010 at 10.00 a.m. at Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.

As Witness my/hand/our hands this day of2010
Signature.....

Affix
1/- Rupee
Revenue
Stamp

Note:

- 1) This form is order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the Company 48 hours before the meeting
- 2) **NO GIFTS WILL BE DISTRIBUTED AT ANNUAL GENERAL MEETING**

PRINTED MATTER

BOOK POST

If undelivered please return to:

PEETI SECURITES LIMITED

Survey No: 71, Opp: BSNL Office,
Beside MP Hardware Lane, Old Kurnool Road
Kattedan, Hyderabad – 500077.