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

17th
ANNUAL REPORT
2010 - 2011

PEETI SECURITIES LIMITED

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PEETI SECURITIES LIMITED

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

**SEVENTEENTH 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 17th Annual General Meeting of the Company being held on 30th September 2011 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
Appointin 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 17th nnual General Meeting of the Company to be held on 30th September 2011 at 10.00 a.m. at Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.

As Witness my/hand/our hands this day of2011
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

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 2011 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: 15-05-2011

BOARD OF DIRECTORS

Sri Sandeep Peeti : Chairman & Managing Director
Sri Rajesh Peeti : Whole- time Director
Sri Raj Kumar Agrawal : Director
Sri Ajay Garg : Director
Sri Rajeev Peeti : Director

AUDITORS : M/s. MKA Associates
1st 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 **Seventeenth Annual General Meeting** of the members of the Company will be held on Friday the **30th September 2011** at **10.00 A.M.** at **Bhagyanagar Function Hall, L. B. Nagar, Hyderabad** to transact the following items of business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, Profit and Loss Account for the financial year ended on that date and the Report of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Sri Rajesh Peeti who retires by rotation and being eligible, offers himself for re-appointment.
- 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 : 25th August 2011

NOTES:

- 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.
- Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
- The Register of Members and the Share Transfer Books will remain closed from 27th September 2011 to 30th September 2011 (both days inclusive).
- Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
- 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 Rajesh Peeti is a graduate in commerce and holding executive directorship right from the inception of the Company and gained vast experience in securities and textile business. Apart from holding executive directorship in the company, he does not hold any other directorships. Presently he is looking after the day-to-day activities of the Company.

**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, 2011	31st March, 2010

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	38,224,473	38,607,483
Total Assets	38,224,473	38,607,483

Sources of Funds:

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

Application of Funds:

Net Fixed Assets	15,923,951	15,780,145
Net Current assets	17,588,546	17,024,755
Profit & Loss a/c (Accumulated Losses)	1,463,621	2,554,227

4. Performance of the Company:

Income	75,310,066	63,493,526
Total Expenditure	73,906,231	63,413,938
Profit/ (Loss) before Tax	1,385,541	79,588
Profit/ (Loss) After Tax	1,090,607	45,282
Earning/ (Loss) per Share	0.29	0.01
Dividend Rate	Nil	Nil

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

Description

PRODUCTS

i). Finishing Cloths

For MKA. ASSOCIATES

For and on Behalf of the Board of Directors.

Chartered Accountants

Sd/-

MONOJ KUMAR AGARWAL
(Partner)

Sd/-

SANDEEP PEETI
Managing Director.RAJESH PEETI
Executive Director

Place: Hyderabad

Date : 15-5-2011

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

S. No.	Particulars	Amount (In Rs.)	
		31-03-2011	31-03-2010
a.	As Auditors	12, 000.00	10, 000.00
b.	As Advisor or any other Capacity, in respect of		
	i). Taxation Matters	9, 672.00	8, 060.00
	ii). Company Law Matters	0.00	0.00
	iii). Management Services	5, 612.00	0.00
c.	In any other Matters	12, 000.00	10, 000.00
	Total	39, 284.00	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

Nature of Transaction	Transaction with Related Party (Rs. In lakhs)	
	Director & KMP	Relative of directors & other Related concerns
Remuneration	15.24	—
Perquisites	0.94	—
Rent	—	4.80
Balances Outstanding as on 31-03-2010	—	—
Rent Deposit	—	3.00
Remuneration Outstanding	31.23	—
Rent Outstanding	—	8.04

11. Segment Reporting: Disclosures requirements of Accounting Standard -17 are not applicable for the Company for the current year 2010-2011. As the Company has been operating in a single Segment i.e. Manufacturing & Trading in Textiles.

12. 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.

13. Computation of Earnings Per Share:

Particulars	For the Year Ended 31.03.2011	For the Year Ended 31.03.2011
Profit & (Loss) for the year after provision for Taxation	10,90,611.00	45,282.00
No. Of Shares	37,50,400.00	37,50,400.00
Earning / (Loss) Per Share	Rs. 0.29	Rs 0.01

14. 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
Reg. No:05992S

MANOJ KUMAR AGARWAL
(Partner)

Place: Hyderabad.

Date : 15-05-2011

Sd/-
SANDEEP PEETI
Chairman & Managing Director.

Sd/-
RAJESH PEETI
Executive Director.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the SEVENTEENTH ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. In Lacks)	(Rs. In Lacks)
	Year ended 31.03.2011	Year ended 31.03.2010
Sales	752.12	632.35
Other Income	0.98	2.59
Profit before depreciation and tax	18.47	7.65
Depreciation	4.43	6.86
Net profit/(Loss)before tax	14.04	0.80
Prior period adjustments	(0.18)	(0.15)
	13.86	0.64
Provision for taxation		
a. Current	(2.94)	(0.19)
b. Deferred Tax	—	—
	(2.94)	(0.19)
Profit/(Loss) after tax	10.91	0.45
Deficit brought forward from the previous Year	(25.54)	(26.00)
Surplus/ (Deficit) carried to balance sheet	(14.63)	(25.55)

OPERATIONS:

During the year under review, your company has achieved a total income of Rs. 753.10 Lakhs as against previous year's income of Rs. 634.94 Lakhs and recorded a net profit of Rs. 14.04 Lakhs for the financial year 2010-11. 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 2010-2011 as the profits are planned to be ploughed back into the business operations..

PARTICULARS OF EMPLOYEES:

None of the Employees of the Company is drawing remuneration exceeding limits prescribed U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS:

Mr. Rajesh 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, 2011, 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, 2011 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 2010-2011 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.

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

Sd/-

RAJESH PEETI

Executive Director

Place: Hyderabad

Date : 25th August 2011

5. Details of Licensed and installed capacity, production, raw material consumed, turnover and stocks (Quantity Particulars as required Under Part II of Schedule VI of the Companies Act 1956.)

Particulars	31.03.2011	31.03.2010
Licensed and Installed Capacity	NIL	NIL
Production Grey cloth (in Mtrs) (Production Thru Job works)	NIL	2,91,166
Raw Material Consumed (In M.Ts) (PFY)	NIL	Qty Value 0.15 10.7

5. Turnover, Closing Stock and Opening Stock

(Rs. In Lakhs)

Class of Products	Turnover		Closing Stock		Opening Stock	
	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.
Grey Cloth (in Mtrs)	5.16	47.12	0.12	4.26	0.32	2.26
(Previous Year)	(6.63)	(62.85)	(0.32)	(2.26)	(1.07)	(8.01)
Finished Fabrics (Mtrs)	23.29	704.99	2.70	78.66	1.97	52.57
(Previous Year)	(22.52)	(569.50)	(1.97)	(52.57)	(2.06)	(36.79)

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 2011 (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.

8. Managerial Remuneration:

Managing Director.

1) Salary	7, 20,000.00	7, 20,000.00
2) House Rent Allowance	1, 80,000.00	1, 80,000.00
	<u>9, 00,000.00</u>	<u>9, 00,000.00</u>

Executive Director.

1) Salary	5, 76,000.00	5, 76,000.00
2) House Rent Allowance	48,000.00	1,38,420.00
3) Rent Free Accommodation	93,538.00	NIL
	<u>7, 17,538.00</u>	<u>7, 14,420.00</u>

SCHEDULE-14**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.

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	NIL
b) Liability on partly paid-up shares	:	NIL
c) Contracts Remaining to be Executed on Capital Accounts	:	NIL
2. Value of imports on CIF basis	:	NIL
3. Expenditure in Foreign Currency	:	NIL
4. Earnings in Foreign Currency	:	NIL

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
2. Benefits derived as a result of above R&D	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	:
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:	2010-11	2009-10
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	NIL	NIL

MANAGEMENT DISCUSSION ANALYSIS REPORT

TEXTILE INDUSTRY OVERVIEW:

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.

Textile Industry is providing one of the most basic needs of people and the holds importance, maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing, it is a major contribution to the country's economy. This paper deals with structure, growth and size of the Indian textile industry, role of textile industry in economy, key advantages of the industry, textile industry and global scenario and strength, weakness, opportunities and treats of the Indian textile industry.

GOVERNMENT INITIATIVES:

The new Textile Policy of 2000 set the ball rolling for policy reforms in the textile sector, dealing with removal of raw material price distortions, cluster approach for power looms, pragmatic exit of idle mills, modernization of outdated technology etc. The year 2000 was also marked by initiatives of setting up apparel parks; 2002 and 2003 saw a gradual reduction in excise duties for most types of fabrics while 2004 offered the CENVAT system on an optional basis. The Union Budget of 2005-2006 announced competitive progressive policies, whose salient features included:

- A major boost to the 1999-established Technology Upgradation Fund Scheme for its longevity through a Rs 4.35 bn allocation with 10% capital subsidies for the textiles processing sector
- Initiation of cluster development for handloom sector
- Availability of health insurance package to 0.2 mn weavers from 0.02 mn initially
- Reduction in customs duty from 20% to 15% for fibres, yarns, intermediates, fabrics and garments; from 20% to 10% on textile machinery and from 24% to 16% in excise duty for polyester oriented yarn/polyester yarn
- Reduction in corporate tax rate from 35% to 30% with 10% surcharge
- Reduction in depreciation rate on plant and machinery from 25% to 15%
- Inclusion of polyester texturisers under the optimal CENVAT rate of 8%

INDUSTRY OUTLOOK:

Expectations are high, prospects are bright, but capitalising on the new merging opportunities will be a challenge for textile companies. Some prerequisites to be included in the globally competing textile industry are:

1. Imbibing global best practices
2. Adopting rapidly changing technologies and efficient processes
3. Innovation
4. Networking and better supply chain management
5. Ability to link up to global value chains.

The Indian textile industry has established its supremacy in cotton based products, especially in the readymade garments and home furnishings segment. These two segments will be the key drivers of growth for Indian textiles. Readymade garment exports were worth US\$ 8 bn in FY06 and will cross US\$ 16 bn by the end of 2010, assuming a conservative growth of 15% per annum. According to estimates, investments in textiles are expected to touch US\$ 31 bn by 2011.

Opportunities & Threats

Opportunities:

1. End of quota regime Shift in domestic market to branded readymade garments
2. Increased disposable income
3. Emerging mall culture and retail expansion.

Treats:

1. Stiff competition from developing countries; especially China
2. Pricing pressure
3. Locational disadvantage
4. International labor and environmental laws

SCHEDULES FORMING PART OF ACCOUNTS	AS ON 31.03.2010 AMOUNT (RS.)	AS ON 31.03.2009 AMOUNT (RS.)
SCHEDULE - 10 SALES		
Dividend	74,950	70,150
Interest Earned	2,597	1,19,245
Profit on sale of Asset	16,398	69,362
Other Income	4,325	--
	63,234,769	39,638,357
SCHEDULE - 11 MATERIALS		
Opening Stock	5,482,995	5,210,502
Purchase of Finished Cloth	65,103,406	49,073,033
Purchase - Synthetic Yarn	-	1,071,810
Purchases of Grey Cloth	4,868,981	4,981,721
	75,455,382	60,337,066
Closing Stock of Textiles items	8,292,961	5,482,995
	67,162,421	54,854,071
SCHEDULE - 12 SALARIES & WAGES		
Wages & Other benefits to Employees	1,219,909	1,141,126
Works Outsourced	-	1,311,445
	1,219,909	2,452,571
SCHEDULE - 13 SELLING & ADMINISTRATIVE EXPENSES		
Auditor's Fee	39,284	28,060
Packing Material	4,04,213	4,11,871
Electricity Charges	1,11,534	1,38,462
Bad Debts written off	34,492	4,431
Carriage Outwards	1,05,705	1,03,098
Insurance	49,072	59,208
Postage, Telgrams & Telephones	1,08,460	1,60,967
Printing & Stationery	41,905	60,166
Professional fees	70,631	33,456
Rent, Rates & Taxes	5,77,808	6,27,800
Repairs & Maintenance- Premises	5,636	4,28,476
Repairs to Plant & Machinery	30,585	86,538
Sales Commission	12,04,078	6,92,835
Stock Exchange Fee & Charges	43,535	3,70,877
Travelling & Conveyance	3,96,657	3,73,013
Managerial Remuneration	15,24,000	14,76,000
Miscellaneous Expenses	2,32,292	2,53,828
Write off Assets	38,382	--
	50,18,270	53,09,086

SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2011	AS ON 31.03.2010
	AMOUNT (RS.)	AMOUNT (RS.)
SCHEDULES – 5		
INVENTORIES		
(As Certified by the Management)		
(At lower of cost or net realizable Value)		
Finished Goods:		
Finished Cloth	8, 292, 107	5, 479, 551
Realizable Waste	854	3, 444
	8, 292, 961	5, 482, 995
SCHEDULES – 6		
SUNDRY DEBTORS		
(Un-secured but considered good)		
Outstanding for more than six months	360, 106	613, 429
Others considered good	10,022, 927	8, 990, 876
	10,383, 033	9, 604, 305
SCHEDULES – 7		
CASH & BANK BALANCES		
Cash in hand	106, 423	15, 238
Balance with Schedule Banks		
In Current Accounts	3, 636, 350	3, 432, 013
	3, 742, 773	3, 447, 251
SCHEDULES – 8		
LOANS & ADVANCES		
Interporpote Loans	20, 850	20, 850
(Un- secured but considered good)		
Other Loans & Advances	40, 000	290, 000
(Recoverable in Cash or in kind for value to Be received un-secured considered good)		
Deposits	324, 633	378, 111
Advance Tax / T.D.S	43, 862	59, 934
Advances to Suppliers	387, 234	185, 241
Advance for purchase of Property	1, 500, 000	1, 500, 000
Prepaid Insurance	28, 215	31, 573
Staff Advances	55, 000	61, 500
	2, 399, 794	2, 527, 209
SCHEDULES – 9		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	702, 094	236, 872
Outstanding Liabilities	5, 369, 910	6, 072, 004
		2, 917, 996
B.PROVISIONS:		
Provision for Gratuity	863, 077	863, 077
Current Tax	294, 934	19, 060
	1,158, 011	8,82, 137
	7, 230, 015	4, 037, 005

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.

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 30.09.2010
Rajesh Peeti	Promoter & Whole-time Director	—	6	6	Yes
Sandeep Peeti	Promoter & Managing Director	01	6	5	Yes
Rajkumar Agrawa	Non-Executive & Independent Director	—	6	5	Yes
Rajeev Peeti	Non-Executive & Independent Director	—	6	5	Yes
Ajay Garg	Non-Executive & Independent Director	—	6	5	Yes

Date of Board Meetings

During the financial year 2010-11, 6 (Six) Board Meetings were held on the following Dates:

30.04.2010	27.05.2010	30.07.2010
01.08.2010	30.10.2010	30.01.2011

3. Audit Committee:

◆ Brief Description of terms of reference

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

- 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:
 - Any changes in accounting policies and practices.
 - Compliance with accepted accounting standards.
 - Major Judgmental Decisions; etc.
- To consider appointment of Statutory Auditors, the Audit Fee, and any matter of resignation and dismissal.
- To discuss with the Statutory Auditor before the audit commences the nature and scope of the Audit.
- To review the effectiveness of the system of internal financial controls and discuss the same periodically with the statutory auditors.
- To discuss problems and reservations arising from the statutory audit and any matters the statutory auditor may wish to discuss.
- 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 2010-2011, the Audit Committee met five times on

30.04.2010	27.05.2010	30.07.2010	30.10.2010	30.01.2011
------------	------------	------------	------------	------------

ATTENDANCE

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

PEETI SECURITIES LIMITED
SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - 3
FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2010	Additions During the Year	Deletion Made During the year	Total	Upto 31.03.2010	For the year 2010-11	Deletion For the year 2010-11	Depreciation Total	W.D.A.as on 31.03.2011	W.D.V.as on 31.03.2010
Land	12,351,600	5,57,750	--	1,29,09,350	--	--	--	--	1,29,09,350	1,23,51,600
Computers	1,89,720	20,000	--	2,09,720	87,300	33,623	--	1,20,923	88,797.00	1,02,420.00
Vehicles (Two Wheelers)	62,892	51,654	31,070	83,476	25,978	6,532	13,968	18,542	64,934.00	36,914.00
Office Equipment	4,65,852	--	48,350	4,17,502	67,480	19,832	9,968	77,344	3,40,157.50	3,98,371.50
Vehicles	4,471,339	--	16,58,505	28,12,834	23,57,044	1,89,114	16,58,505	8,87,653	19,25,181.00	21,14,295.00
Plants & Machinery	2,423,113	13,400	2,12,052	22,24,461	19,55,565	1,69,649	2,12,052	19,13,162	3,11,299.00	4,67,548.00
Furniture & Fixture	2,62,464	--	--	2,62,464	79,332	16,612	--	95,944	1,66,520.00	1,83,132.00
Air Conditioners	1,71,634	--	--	1,71,634	45,770	8,152	--	53,922	1,17,712.00	1,25,864.00
TOTAL	20,398,613	6,42,804	19,49,977	19,091,440	46,18,469	4,43,514	18,94,493	31,67,490	15,923,951	15,780,145
Previous Year	2,03,37,383	61,230	--	2,03,98,613	39,32,900	6,85,569	--	46,18,469	1,57,80,145	1,64,04,484

SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2011 AMOUNT (RS.)	AS ON 31.03.2010 AMOUNT (RS.)
SCHEDULES – 1 SHARE CAPITAL AUTHORISED		
45, 00, 000 Equity Share of Rs. 10/- each Issued, Subscribed & Paid up Capital	45, 000, 000	45, 000, 000
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	208, 712	591, 722
	208, 712	591, 722

**SCHEDULES – 4
INVESTMENTS**

Name of the Company	No of Share Units	Face Value in Rs	Market Value	Type	AS ON 31.03.2011	AS ON 31.03.2010
Current Investments						
Shares of:						
Held As Stock in Trade: (At Lower of the Cost Or Net realisable Value)						
Adiyaman Investment Limited	10,000	10.00	Delisted	Equity	1,000	1,000
Ambik Protein Limited	8,000	10.00	Delisted	Equity	800	800
Annapurna Foils Limited	100	10.00	Delisted	Equity	10	10
Aryan Share & Stock Limited	14,800	10.00	Delisted	Equity	1,480	1,480
BNR Udyog Limited	65,300	10.00	8,39,758	Equity	130,600	130,600
CT Cotton Limited	100	10.00	Suspended	Equity	10	10
Ester India Limited	100	5.00	3,860	Equity	10	10
Ispat Profiles	100	10.00	Delisted	Equity	-	-
Janzen Cast Metals Limited	2,200	10.00	Delisted	Equity	220	220
JSW Steel (Jindal Vijay)	140	10.00	1,28,282	Equity	50,400	50,400
Larsen & Turbo Ltd	20	2.00	33,065	Equity	25,361	25,361
M.K.Securities Ltd	100	10.00	Delisted	Equity	10	10
Multicolour Offset Limited	1,500	10.00	Suspended	Equity	150	150
Nu-Tech Agro Ltd	1,800	10.00	Delisted	Equity	180	180
Panasonic Home Appliances	100	10.00	12,575	Equity	1,175	1,175
Paramani Replast Limited	5,000	10.00	Delisted	Equity	500	500
Prudential Pharmaceuticals Limited	500	10.00	Delisted	Equity	50	50
Shree Krithika Hold Limited	3,500	10.00	Delisted	Equity	350	350
Snehadhara Industries Limited	200	10.00	Delisted	Equity	20	20
Spring Field	58,900	10.00	Delisted	Equity	5,890	5,890
Regalia Realty Ltd	41,300	10.00	4,99,730	Equity	4,130	4,130
Top Telemedia Limited	55,900	10.00	Suspended	Equity	5,590	5,590
Vibrant Investments Limited	53,200	10.00	Delisted	Equity	5,320	5,320
Weid Flux Limited	10,000	10.00	Delisted	Equity	1,000	1,000
Zen Technology Ltd	1,000	10.00	Delisted	Equity	4,500	4,500
Long Term Investment						
Shares of						
Theme Ambience Resorts & Hotels P. LTD (Unquoted, Non Trade)	15000	100		Equity	30,00,000	30,00,000
Silver Coins					9,600	9,600
					32,48,356	32,48,356

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 2010-11.

Name of Director	Sitting Fees	Salary & Perks	Total
Sandeep Peeti	Nil	9, 00,000	9, 00,000
Rajesh Peeti	Nil	7, 17,538-	7, 17,538-
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:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- 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 Rajeev Peetil	Chairman
Sri Rajkumar Agrawal	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
2009-10	16 th AGM	Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.	Thursday 30 th Sep, 2010	10.00 A.M.
2008.09	15 th AGM	Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.	Wednesday 30 th Sep, 2009	10.00A.M.
2007-08	14 th AGM	Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.	Tuesday 30 th Sep, 2008	10.00A.M.

POSTAL BALLOT

No resolution was passed through postal ballot during the year ended 31st March, 2011. No Special Resolution is proposed to be conducted through Postal ballot at the ensuing Annual General Meeting

7. DISCLOSURES

- 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 .
- 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:

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	For the Year Ended	
	31.03.2011	31.03.2010
	Rs (in Lakhs)	Rs (in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(Loss) before Tax & Extraordinary Items	14.04	0.80
Adjustments For:		
Depreciation	4.44	6.86
Assets written off	0.38	
Interest Paid	0.62	0.90
Dividend Earned	(0.75)	(0.70)
Interest Received	(0.03)	(1.16)
Profit on sale of Investment	(0.16)	(0.69)
Operating Profit/(Loss) before working capital changes	18.54	6.00
Adjustments for:		
Trade Receivables & Other Receivables	(6.51)	(18.80)
Inventory	(28.10)	(2.72)
Trade Payable & other Current Liabilities	29.17	(9.10)
Cash Generated/(Outgo) from Operation	13.10	24.62
Direct Taxes paid	(0.37)	(0.54)
Cash Flow before extraordinary item	(12.73)	(25.16)
Prior period adjustments	—	(0.15)
Net Cash Flow/(used) from/in Operating Activities (A)	12.73	(25.31)
B CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase)/decrease in investment	—	1.18
Decrease/(Increase) in Fixed Assets	(6.10)	(0.64)
Dividend Earned	0.75	0.70
Interest Earned	0.03	1.19
Net cash Flow/(used) from/in Investing Activities (B):	(5.32)	2.43
C CASH FLOW FROM FINANCING ACTIVITIES:		
Share Capital	—	—
Secured Loans	(3.83)	(3.41)
Unsecured Loans	—	—
Interest Paid	(0.62)	(0.90)
Net cash Flow/(used) from/in Investing Activities (B):	(4.45)	(4.31)
D NET INCREASE/(DECREASE) IN CASH		
AND CASH EQUIVALENT (A+B+C)	2.96	(27.19)
Cash and Cash equivalent (Opening)	34.47	61.66
Cash and Cash equivalent (Closing)	37.43	34.47
Schedules 1 to 16 form an integral part of the Accounts		

For **MKA. ASSOCIATES**
Chartered Accountants

For and on Behalf of the Board of Directors.

MANOJ KUMAR AGARWAL
(Partner)

Sd/-
SANDEEP PEETI
Managing Director

Sd/-
RAJESH PEETI
Executive Director

Place: Hyderabad
Date : 15-5-2011.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCH. NO.	FOR THE YEAR ENDED 31.03.2011	FOR THE YEAR ENDED 31.03.2010
		AMOUNT (Rs.)	AMOUNT (Rs.)
I. INCOME			
Sales		75, 211, 796	63, 2348, 769
Other Income	10	98, 270	258, 757
TOTAL: (A)		75, 310, 066	63, 493, 526
II. EXPENDITURE			
Material	11	67, 162, 421	54, 854, 071
Salaries and Wages	12	1, 219, 909	2, 452, 571
Selling & Administrative Expenses	13	5, 018, 270	5, 309, 086
Interest & Financial Charges		62, 117	112, 641
Depreciation	3	443, 514	685, 569
TOTAL: (B)		73, 906, 231	63, 413, 938
Profit/ (Loss) for the year (A-B)		1, 403, 835	79, 588
Less Prior Year Adjustments For Taxes		(18, 294)	(15, 246)
		1, 385, 541	64, 342
LESS: Provision for Income Tax			
Current Tax		2, 94, 934	19, 060
Deferred Tax (Liability)/Assets		2, 94, 934.15	19, 060
Profit/ (Loss) after Tax		1, 090, 607	45, 282
Deficit brought forward from Previous year		(2, 554, 228)	(2, 599, 509)
surplus/ (Deficit) Carried to Balance Sheet		(1, 463, 621)	(2, 554, 227)
Basic and Diluted Earning Per Share		0.29	0.01
Significant Accounting Policies & Note on Accounts	14		

Schedules 1 to 14 from 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 : 15-05-2011

Sd/-
RAJESH PEETI
Executive Director.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Day, Date and time : Friday, 30th September, 2011 at 10.00 A.M.
Venue : Bhagyanagar Functional Hall,
L.B. Nagar, Hyderabad.

Financial Calendar

EVENT	DATES
First quarter un-audited (Provisional) financial results	Second Week of Aug, 2011
Second quarter un-audited (Provisional) financial results	Second Week of Nov, 2011
Third quarter un-audited (Provisional) financial results	Second Week of Feb, 2012
Fourth quarter un-audited (Provisional) financial results	Second Week of May, 2012

Book Closure Date : Tuesday 27th September to Friday 30th September, 2011 (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 : During the last Financial Year 2010-11.

High and low of the eac month of the Company's Equity Shares during the last Financial Year 2010-11 at Bombay Stock Exchange Limited are given below:

		Bombay Stock Exchange Limited	
Month		High (Rs.)	Low (Rs.)
Apr	2010	----	----
Ma	2010	----	----
Jun	2010	42.00	11.60
July	2010	14.45	8.55
Aug	2010	10.75	7.00
Sep	2010	9.45	6.31
Oct	2010	9.45	7.03
Nov	2010	8.00	5.80
Dec	2010	6.94	5.68
Jan	2010	6.29	4.31
Feb	2010	6.06	4.10
Mar	2010	7.15	5.71

Registrar and Share Transfer Agents : CIL Securities Limited
: 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 tripartite 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:

SI no	Category	No. of Shares Held	% of Shareholding
A1	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP INDIAN		
	Individuals/Hindu Undivided Family	908350	24.22
	Central Government /State Government(s)	----	----
	Bodies Corporate	342900	9.14
	Financial Institutions/Banks	----	----
	Sub Total of A1	12,51,250	33.36
	FOREIGN		
	Individuals (Non-Residents)	----	----
	Bodies Corporate	----	----
	Institutions	----	----
Any Other (Specify)	----	----	
Sub Total of A2			
	TOTAL PROMOTERS SHAREHOLDING (A1 +A2)	12,51,250	33.46
B1	Public Shareholdings		
	Institutions		
	Mutual Funds and UTI		
	Banks/Financial Institutions	65500	1.75
	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	417687	11.14
	Individuals share holders holdings normal share captial up to Rs 1 lakhs	1502831	40.07
	Share holders holdings normal share captial in excess of Rs 1 laks	513132	13.68
	Any Other (Specify)		
	NRIs/OCBs	----	----
Foreign Collaborators	----	----	
Clearing Members	----	----	
Sub Total B2	24,33,650	64.89	
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	24,99,150	66.64
C	Shares held by Custodian and against which Depository Receipts have been issued	--	--
	TOTAL A+B+C	37,50,400	100

BALANCE SHEET AS ON 31ST MARCH, 2011

	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		208,712	591,722
3.DEFERRED TAX LIABILITY (NET)				
			511,761	511,761
TOTAL:			38,224,473	38,607,483
II. APPLICATION OF FUNDS:				
1. Fixed Assets				
a) Gross Block	3	19,019,440	20,398,613	
b) Less Depreciation		3,167,490	4,618,469	
Net Block			15,923,951	15,780,145
2. Investments				
	4		3,248,356	3,248,356
3. Current Assets, Loans and Advances				
a) Inventories	5	8,292,961	5,482,995	
c) Sundry Debtors	6	10,383,033	9,604,305	
d) Cash & Bank Balances	7	3,742,773	3,447,251	
e) Loans & Advances	8	2,399,794	2,527,209	
		24,818,561	21,061,760	
4. Less: Current Liabilities & Provisions				
Net Current Assets	9	7,230,015	4,037,005	17,024,755
5. Profit & Loss Account				
(Debit Balance to the extent not adjusted)			1,463,621	2,554,227
TOTAL :			38,224,473	38,607,483
Significant Accounting Policies & Notes on Accounts	14			-
Schedules 1 to 14 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

Reg No: 05992S

Sd/-

SANDEEP PEETI

Chairman & Managing Director.

MANOJ KUMAR AGARWAL

Partner

Place: Hyderabad.

Date : 15-05-2011

Sd/-

RAJESH PEETI

Executive Director.

- b) As explained to us there were no undisputed arrears of the statutory dues as at 31-03-2011 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 2011

Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2011

Sl. No.	Category From – To Rs Ps	No. Of Holders	% Of Holders	No. Of Shares	% Of Shares
1	Up to - 5000	1781	94.73	11, 49,896	30.66
2	5001 - 10000	58	3.09	4, 20,072	11.20
3	10001 - 20000	21	1.12	2, 76,332	7.37
4	20001 - 30000	5	0.27	1, 16,200	3.10
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, 16,500	29.91
	Total	1880	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

Packing & Dispatching Location: Survey No.71, Opp. BSNL Office, Beside M.P.Hardware Lane, Old Kurnool Road, Kattedan Hyderabad - 500077

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 gave 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 OF CONDUCT 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 hereby certify that the Board members and senior management personnel of the Company have affirmed compliance with the code for the financial year 2010-2011.

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.

I 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, 2011. 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 30.04.2010, 27.05.2010, 30.07.2010, 01.08.2010, 30.10.2010, 30.01.2011 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 Tuesday 28th September, 2010 to Thursday, 30th September, 2010 (both days inclusive) for the purpose of 16th 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, 2010 was held on 30.09.2010 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.

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, 2011 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.
- (iii) In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (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.

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, 2011 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, 2011 and taken on records, none of the Directors of the company is, prima-facie, as at 31st March, 2011 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, 2011 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)

Membership No. 201740
Firm Reg. No. 005992S

Place: Hyderabad
Date : 15th MAY 2011

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. Rajeev Peeti, the retiring director is reappointed as director by the members in the 16th Annual General Meeting held on 30th September, 2010 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 overnment, 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/-

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

PLACE: Hyderabad
DATE : 25.08.2011

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, 2011

Sl. No.	Forms Returns	Section	Purpose	Remarks
1.	Compliance Certificate	383A	For the Financial Year 2009 - 2010	Filed with Normal fee on 28.10.2010
2.	Balance Sheet	220	For the Finance Year 2009 – 2010	Filed with Normal fee on 28.10.2010
3.	Annual Return	159	As on 30 th September 2010	Filed with Normal fee on 28.10.2010

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 2011 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: 25.08.2011