

15th
ANNUAL REPORT
2008 - 2009

PEETI SECURITIES LIMITED

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PEETI SECURITIES LIMITED

PEETI SECURITIES LIMITED

Regd Office - Survey No. 71, Durgam Cheruvu, Hyderabad - 500 081

Branch - MP Hardwar's Lane, Old Airport Road, Hyderabad - 500 077

Hyderabad - 500 077

PEETI SECURITIES LIMITED

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
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 - 500 077.

BANKERS

- : The Tamilnad Mercantile Bank Ltd.
Chenoy Trade Centre,
Secunderabad.

REGISTRARS AND SHARE TRANSFER AGENTS

- : CIL Securities Limited
214, Raghav Ratna
Towers,Chirag-ali-lane Abids,
Hyderabad-500 001.

LISTED AT

- : The Bombay Stock Exchange Ltd
The Hyderabad Stock Exchange.

PEETI SECURITIES LIMITED

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NOTICE

Notice is hereby given that the **Fifteenth Annual General Meeting** of the members of the Company will be held on Wednesday the **30th September 2009 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, 2009, 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 Raj Kumar Agrawal 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 fix their remuneration.

BY ORDER OF THE BOARD

Sd/-

SANDEEP PEETI

Chairman & Managing Director

Place : Hyderabad
Date : 01st August 2009

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. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from Monday 28th September 2009 to Wednesday 30th September 2009 (both days inclusive).

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 Rajkumar Agrawal is the member of Audit Committee, Remuneration Committee and the Investors Grievances Committee. He is a science graduate and a law graduate and presently he is engaged in packing business. He was former president of the Rotary Club of India.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the **FIFTEENTH ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

Particulars	Year ended 31.03.2009		Year ended 31.03.2008	
Sales		396.38		365.80
Other Income		4.99		1.51
Profit before depreciation and tax		(2.64)		10.88
Depreciation		5.47		4.34
Net profit / (Loss) before tax		(8.11)		6.54
Prior period adjustments		0.12		-
Provision for taxation		-		-
a. Current		-	(2.77)	-
b. Deferred Tax		-	3.16	-
c. Fringe Benefit Tax	(0.54)	(0.54)	(0.44)	(0.04)
Profit after tax		(8.77)		6.49
Deficit brought forward from the previous year		(17.22)		(15.35)
Surplus/ (deficit) carried to balance sheet		(25.99)		(17.22)

OPERATIONS:

During the year under review, your company has achieved a total income of Rs. 401.37 lakhs as against previous year's income of Rs. 367.31 Lakhs and recorded a net loss of Rs.8.11 Lakhs for the financial year ending 31st March, 2009 when compared to a net Profit of Rs. 6.54 Lakhs during the previous year. Although your company projected more turnover as against the previous year's turnover, your company recorded loss on account of steep hike in the raw material cost and production cost 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 and to sustain in the market, your company did not increase the prices of the finished products. Adding to this, during the year under review, your company shifted the unit from Secunderabad to Kattedan industrial area by incurring huge expenditure. 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 :

As your company incurred loss during the financial year 2008-09, directors of your company express their inability to recommend any dividend for the said financial year.

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' RESPONSIBILITY STATEMENT :

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the financial year ended 31st March, 2009, 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, 2009 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

PEETI SECURITIES LIMITED**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.

CORPORATE GOVERNANCE :

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

DIRECTORS :

Mr. Rajkumar Agrawal, Director of your company retires by rotation at the ensuing Annual General Meeting. Being eligible for the re-appointment, offers him self for the re-appointment.

AUDITORS :

The tenure of Statutory Auditors of your company M/s. MKA Associates, Chartered Accountants comes to an end 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 Hyderabad Stock Exchange and The Bombay Stock Exchange Limited. Your company is regular in payment of listing fee.

MANAGEMENT DISCUSSION ANALYSIS :

Management Discussion an analysis is set out in annexure III to this report

ACKNOWLEDGEMENTS :

The Directors of Your Company would like to place on record their sincere appreciation and gratitude to the Company's Customers, Bankers, Shareholders 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 &

Sd/-

RAJESH PEETI

Executive Director

Place : Hyderabad

Date : 01st August 2009

Managing Director

**ANNEXURE - I
Form - "A"**

PARTICULARS UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1998

A. Power and fuel consumption:		
1. Electricity	2008-09	2007-08
a. Purchased Units	16,509	25,594
Total Amount	95,919	1,96,778
Rate per unit	5.81	6.02
b. Own generation		
i) Through diesel generator	29,764/-	42,795/-
ii) Through steam turbine/ generator Units	Nil	Nil
Units	Nil	Nil
Cost / unit	Nil	Nil
2. Coal		
i) Quantity (tons)	Nil	Nil
Total cost	Nil	Nil
Average rate	Nil	Nil
3. Furnace Oil		
i) Quantity (K.Ltrs)	Nil	Nil
Total amount	Nil	Nil
Average rate	Nil	Nil
4. Others/ Internal generation		
i) Quantity	Nil	Nil
Total cost	Nil	Nil
Rate per unit	Nil	Nil

The company has taken adequate steps to upgrade its technology and is making sincere efforts to conserve energy during its operation.

FORM - "B"

PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)	:	NIL
B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION	:	NIL
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	:	
1. FOREIGN EXCHANGE EARNINGS	:	NIL
2. FOREIGN EXCHANGE OUTGO	:	NIL

PEETI SECURITIES LIMITED

ANNEXURE – II 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 GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the company in the efficient conduct of the business and in meeting its obligation to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity. Company believes in sharing the entire information about its operations with the investors. Since several years, company is committed to values and ethical business conduct. This includes its corporate and other structure, its culture its policies and the manner in which it deals with its stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company, is an important part of corporate Governance. This improves public understanding of the structure, activities and policies of the organization; consequently, the organization is able to enhance the trust and confidence of the Stakeholders.

2. BOARD OF DIRECTORS

A. Composition

As on 31st March, 2009, the Board of Directors consists of Five Directors comprising of two promoter Executive Directors, three non-executive Directors.

Name of the Director	Category	No. of Other Directorships	No of Meetings Held	No of Meetings Attended	Whether Attended last AGM
Sandeep Peeti	Promoter Managing Director	01	8	8	Yes
Rajesh Peeti	Promoter Executive Director	---	8	8	Yes
Rajkumar Agrawal	Non-Executive Independent Director	---	8	8	No
Rajeev Pittie	Non-Executive Independent Director	---	8	8	No
Ajay Garg	Non-Executive Independent Director	---	8	8	No

B Date of Board Meetings

Board of Directors met 8 times during the financial year 2008-2009 on the following dates and the gap between two board meetings did not exceed four months.

30-04-2008	29-07-2008	30-07-2008	01-08-2008
02-09-2008	15-09-2008	30-10-2008	31-01-2009

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

The Audit Committee comprises of independent directors and composition of the committee is as follows:

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

Meetings during the year

During the Financial year 2008-09, the Audit Committee met on five times on

1. 30th April 2008
2. 30th July 2008
3. 01st August 2008
4. 31st October 2008
5. 31st January 2009

Remuneration Committee:

The Remuneration Committee comprises of independent directors and composition of the Committee is as follows:

Sri.Raj Kumar Agrawal	Chairman
Sri Rajeev Peeti	Member
Sri Ajay Garg	Member

Details of remuneration to all the directors for the year.

Name of Director	Sitting Fees	Salary & Perks	TOTAL
Sandeep Peeti	Nil	9,00,000-	9,00,000-
Rajesh Peeti	Nil	7,01,688-	7,01,688-
Sri Rajeev Peeti	Nil	Nil	Nil
Sri Ajay Garg	Nil	Nil	Nil
Sri Rajkumar Agarwal	Nil	Nil	Nil

No sitting fee is paid either for Board Meetings or for Committee Meetings.

Name & Designation of the Compliance Officer:

Name : S.N.V.Prasad

Designation : Accounts officer

The Company received no complaints during the financial year ending 31st March 2009

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

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

The Committee comprises of the following non-executive independent directors:

Sri. Rajeev Peeti - Chairman

Sri Ajay Garg - Member

Sri Raj Kumar Agrawal - Member

6. GENERAL BODY MEETINGS

Annual General Meeting of the Company for the past 3 years has been held at the following venues at the time specified against them.

Year	AGM	Venue	Day & Date	Time
2007-08	14 th AGM	Bhagyanagar Function Hall, L.B.Nagar,Hyderabad.	30 th September, 2008	10.00 A.M.
2006-07	13 th AGM	Bhagyanagar Function Hall, L.B.Nagar,Hyderabad.	29 th September, 2007	10.00 A.M.
2005-06	12 th AGM	Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.	30 th September 2006	10.00 A.M.

No Special Resolutions is passed in the previous Three Annual General Meetings and no Special Resolutions were proposed 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 -The information with respect to related party transactions is provided in point No. 9 in the Notes to Accounts which form part of the Annual Report. However such transactions have no potential conflict with the interest of the Company.
- 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 Mumbai Stock Exchange as per clause 41 of the Listing Agreement.
- b. The Quarterly Unaudited Financial Results of the Company are published in Economics Times or Deccan Classified and Andhrabhoomi Hyderabad editions.
- c. Management Discussion and Analysis forms part of the Directors' Report.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting :

Day, Date and time : 30th September, 2009 at 10.00 A.M.
 Venue : Bhagyanagar Functional Hall,
 L. B. Nagar, Hyderabad.

Financial Calendar

Event	Dates :
First quarter un-audited (Provisional) financial results	Last Week of July, 2009
Second quarter un-audited (Provisional) financial results	Last Week of October, 2009
Third quarter un-audited (Provisional) financial results	Last Week of January, 2010
Fourth quarter un-audited (Provisional) financial results	Last Week of April, 2010

PEETI SECURITIES LIMITED

Book Closure Date	: Monday 28 th September to Wednesday 30 th September, 2009 (both days inclusive)
Listing on Stock Exchanges	: The shares of the company are listed on The Hyderabad Stock Exchange Limited and The Bombay Stock Exchange Limited.
Stock Code	: BSE Code – 531352 HSE Code -784
Market Price Data	: Not Quoted (Trading Suspended)
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 dematerialise its shares, which enable the company's shares to be transferred electronically through Depositories System.

Share Holding Pattern :

Shareholding pattern as on 31st March, 2009

S.No.	Category	No. of Share Held	% of Shareholding
1.	Promoters Holding	12,57,550	33.53
2.	Mutual Funds & U T I	Nil	Nil
3.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Govt. Institutions)	65,500	1.75
4.	FII's	Nil	Nil
5.	Private Corporate Bodies	3,90,350	10.41
6.	Indian Public	20,37,000	54.31
7.	NRI's/ OCB's	Nil	Nil
8.	Others	Nil	Nil
	Total	37,50,400	100

PEETI SECURITIES LIMITED

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Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2009

S.No.	Category		No. of Holders	% of Holders	No. of Shares	% of Shares
	From	To				
1	Upto	5000	1800	95.09	11,70,400	31.21
2	5001	10000	52	2.75	3,76,400	10.04
3	10001	20000	20	1.05	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	1.32
7	50001	100000	8	0.42	6,21,700	16.58
8	100001 and above		6	0.32	11,21,900	29.91
TOTAL			1893	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

DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

Peeti Securities Limited has adopted a code of Business conduct and ethics (The Code) which applies to all employees and Directors of the Company. Under 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 2008-09

Sandeep Peeti

Chairman and Managing Director

MANAGEMENT DISCUSSION ANALYSIS REPORT

TEXTILE INDUSTRY OVERVIEW:

The Indian Textiles Industry has an overwhelming presence in the economic life of the Country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the Country. Currently, it contributes about 14% to industrial production, 4% to GDP and 17 percent to Country's export earnings. It provides direct employment to over 35 million people. The textile sector is the second largest provider of employment after agriculture. Thus the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian Textile Industry is estimated to be around US \$ 52 billion and is likely to reach US \$ 115 billion by 2012. The domestic market is likely to increase from US \$ 34.6 billion to US \$ 60 billion by 2012. It is expected that India's share of exports to the world would also increase from the current 4 percent to around 7 percent during this period.

GOVERNMENT INITIATIVES:

1. 100 Percent FDI allowed through the automatic route.
2. De-reservation of readymade garments, hosiery and knitwear from the small scale Industries (SSI) sector in end – 2000. Technology Mission on cotton was launched in February 2000 to make quality raw material available at competitive prices.
3. Technology Upgradation Fund Scheme (TUFS) which was launched to facilitate the modernization and up gradation of the textile industry in 1999 has been given further extension till 2011-12. A total of 18773 applications involving a project cost of U S \$ 24.91 billion have been sanctioned under the technology upgradation funds scheme up to March 31st 2008.
4. 40 textile parks are being set up under the scheme for integrated textile parks which will attract an investment of U S \$ 4.38 billion, create employment both direct and indirect for 908000 workers and produce goods worth U S \$ 7.77 billion annually.
5. The apparel international mart in gurgaon will provide world class facility to apparel exporters to showcase their products and to serve as a one stop shop for reputed international buyers.
6. The Indian Textile Plaza is being built in Ahmedabad to encourage exports to overseas markets. In current times a global meltdown, the government has come out with an economic stimulus package for the textile industry. This includes
 - a) Additional allocation of US \$ 285.66 million to clear the entire backlog in the TUF scheme, which would enhance cash flow of the exporters.
 - b) Extension of interest rate subvention of 2 percent on pre and post shipment credit.
 - c) Additional fund of U S \$ 224.42 million for refund of terminal excise duty.

INDUSTRY OUTLOOK :

There is a sense of optimism and confidence prevailing in the industry and the industry is projected to grow at the rate of 16 per cent in value terms the next five years. The policy measures initiated by the Government are showing striking results. Investment has increased significantly in the textile sector, and this enhanced investment will generate 17.37million jobs by 2012. Today, the industry is increasingly embracing modern technology and work processes becoming more globally competitive, building strong brand equity for its products, and consistently achieving higher growth rates than ever in its long history,. The challenges are many, The government is committed to transform what is today an emerging or sunrise sector, into a developed industry.

Opportunities & Threats

Your Company is engaged in the dying and designing of textiles 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 provides 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.

**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 2009 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)

Place : Hyderabad
Date : 01st August 2009

Membership No : 201740

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, 2009 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, 2009 and taken on records, none of the Directors of the company is, prima-facie, as at 31st March, 2009 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, 2009 and:
 - ii) In so far as it relates to Profit and Loss Account of the loss 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.

MANOJ KUMAR AGARWAL
(Partner)
Membership No. 201740

Place: Hyderabad
Date : 1st Aug, 2009

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, 2009 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 thereunder.
- (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 31-03-2009 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 cess 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.

MANOJ KUMAR AGARWAL
(Partner)
Membership No. 201740

Place: Hyderabad
Date : 1st Aug, 2009

PEETI SECURITIES LIMITED

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BALANCE SHEET AS ON 31ST MARCH, 2009

	SCH. NO.	AS ON 31.03.2009 AMOUNT (Rs.)	AS ON 31.03.2008 AMOUNT (Rs.)
I. SOURCES OF FUNDS:			
1. Share Holder's Funds :			
Share Capital	1	37,504,000	37,504,000
Secured Loans	2	933,029	2,059,697.93
3. DEFERRED TAX LIABILITY (NET)		511,761	511,761
TOTAL:		38,948,790	40,075,459
II. APPLICATION OF FUNDS:			
1. Fixed Assets			
a) Gross Block	3	20,337,383	17,744,687
b) Less Depreciation		<u>3,932,900</u>	<u>3,459,697</u>
Net Block		16,404,484	14,284,991
2. INVESTMENTS	4	3,084,961	-
3. Current Assets, Loans and Advances			
a) Inventories	5	5,423,897	6,897,277
c) Sundry Debtors	6	7,040,482	6,147,150
d) Cash & Bank Balances	7	6,167,945	930,504
e) Loans & Advances	8	<u>3,209,233</u>	<u>13,989,985</u>
		21,841,558	27,964,916
4. Less: Current Liabilities & Provisions	9	<u>4,981,720</u>	<u>3,896,139</u>
Net Current Assets		16,859,837	24,068,777
5. Profit & Loss Account (Debit Balance to the extent not adjusted)		2,599,509	1,721,692
TOTAL :		38,948,790	40,075,459

Significant Accounting Policies 16
& Notes on Accounts

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 AccountantsSANDEEP PEETI
Managing Director.MANOJ KUMAR AGARWAL
PartnerRAJESH PEETI
Executive Director

Place: Hyderabad.

Date : 01-08-2009

PEETI SECURITIES LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	SCH. NO.	For the Year Ended 31.03.2009 AMOUNT (Rs.)	For the Year Ended 31.03.2008 AMOUNT (Rs.)
I. INCOME			
Sales	10	39,638,357	36,579,741
Other Income	12	498,519	150,729
Accretion/(Decretion) to Stock	11	347	797,861
TOTAL : (A)		40,137,223	37,528,331
II. EXPENDITURE			
Raw Material Consumed/Purchases	13	29,047,789	23,425,799
Manufacturing Expenses	14	7,795,874	10,012,386
Operating & Other Expenses	15	3,442,565	2,754,080
Interest & Financial Charges		115,127	248,143
Depreciation	3	546,790	434,399
TOTAL : (B)		40,948,145	36,874,807
Profit / (Loss) for the year (A-B)		(810,922)	653,524
Less: Prior Year Adjustments for Taxes		(12,895)	(38,436)
Towards Gratuity		-	(797,077)
		(823,817)	(181,989)
LESS: Provision for Income tax			
Current Tax		-	(276900)
Deferred Tax (Liability)/Assets		-	316314
Fringe Benefit Tax	(54,000)	(54,000)	(43883)
Profit/(Loss) after Tax		(877,817)	(186,458)
Deficit brought forward from Previous year		(1,721,692)	(1,535,234)
Surplus/ (Deficit) Carried to Balance Sheet		(2,599,509)	(1,721,692)
Basic and Diluted Earning Per Share		(0.23)	0.17
Significant Accounting Policies & Notes on Accounts	16		
Schedules 1 to 16 form an integral part of accounts.			

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
Managing Director.

Sd/-
RAJESH PEETI
Executive Director

Place: Hyderabad.
Date : 01-08-2009

PEETI SECURITIES LIMITED
SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - 3
FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1/4/2008	Additions During the Year	Deletion Made During The Year	TOTAL	Upto 31/3/2008	For the Year 2008-09	Deletion for the year 2008-09	DEPRECIATION TOTAL	W.D.V. As on 31-03-2009	W.D.V. As on 31-03-2008
Land	12,351,600.00	-	-	12,351,600.00	33,989.00	24,748.00	-	58,737.00	12,351,600.00	12,351,600.00
Computers	152,670.00	-	-	152,670.00	-	-	-	-	93,933.00	118,681.00
Vehicles (Two Wheeler)	86,892.00	-	24,000.00	62,892.00	23,483.00	5,975.00	9,456.00	20,002.00	42,890.00	63,409.00
Office Equipment	477,841.50	47,026.00	83,196.00	441,671.50	80,011.00	20,037.00	54,262.00	45,786.00	395,885.50	397,830.50
Vehicles	2,039,298.00	2,432,041.00	-	4,471,339.00	1,628,020.00	304,248.00	-	1,932,268.00	2,539,071.00	411,278.00
Plant & Machinery	2,309,362.51	126,925.00	13,175.00	2,423,112.51	1,611,844.51	173,793.00	9,869.00	1,775,768.51	647,344.00	697,518.00
Furniture & Fixture	155,389.00	107,075.00	-	262,464.00	52,884.00	9,836.00	-	62,720.00	199,744.00	102,505.00
Air Conditioners	171,634.00	-	-	171,634.00	29,465.00	8,153.00	-	37,618.00	134,016.00	142,169.00
Total:	17,744,687.01	2,713,067.00	120,371.00	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
Previous Year	5,262,762.01	12,481,925.00	-	17,744,687.01	3,025,297.51	434,399.00	-	3,459,696.51	14,284,990.50	2,237,464.50

PEETI SECURITIES LIMITED**SCHEDULES FORMING PART OF ACCOUNTS**

	AS ON 31.03.2009 AMOUNT (Rs.)	AS ON 31.03.2008 AMOUNT (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
45,00,000 Equity Share of RS. 10/- each	45,00,000	45,00,000
Issued, Subscribed & Paid up Capital		
37,50,400 Equity Shares of Rs.10/- each fully Paid up	37,50,400	37,50,400
SCHEDULE - 2		
SECURED LOANS		
Cash Credit From Tamilnad Mercantile Bank Ltd.	-	2,059,698
Term Load From HDFC Bank	933,029	-
	<u>933,029</u>	<u>2,059,698</u>
SCHEDULE - 4		
INVESTMENT		
Current Investments		
In Units of Mutual Funds - Non Trade		
HDFC Growth Fund	25,000	-
No of Units : 233.328 (Previous year : Nill)		
NAV : Rs. 25,398.20/-		
Reliance Mutual Fund	25,000	-
Reliance Growth Fund Retail Plan		
No of Units : 118.685 (Previous Year : Nill)		
NAV : RS. 24580.85/-		
Long Term Investment		
20 Equity Shares of Larsen & Toubro Ltd.	25,361	-
(Face Value Rs. 2)		
Market Value : Rs. 13420/-		
15000 Equity Shares of	3,000,000	-
Theme Ambience Resorts & Hotels (P) Ltd.		
(Face Value Rs. 100 - Unquoted, Non Traded)		
Silver Coins	9,600	-
	<u>3,084,961</u>	<u>-</u>
SCHEDULE - 5		
INVENTORIES		
(As Certified by the Management)		
(At lower of cost or net realisable Value)		
Raw material	1,531,482	3,005,209
Finished Goods :		
Finished Cloth	3,669,418	3,633,322
Realisable Waste	9,602	37,046
Stock of Shares & Other Securities	213,395	221,700
	<u>5,423,897</u>	<u>6,897,277</u>

PEETI SECURITIES LIMITED

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SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2009 AMOUNT (Rs.)		AS ON 31.03.2008 AMOUNT (Rs.)	
SCHEDULE - 6				
SUNDRY DEBTORS				
(Un -secured but considered good)				
Outstanding for more than six months		278,183		101,774
Others considered good		6,762,299		6,045,376
		<u>7,040,482</u>		<u>6,147,150</u>
SCHEDULE - 7				
CASH & BANK BALANCES				
Cash in hand		116,216		548,860
Balance with Schedule Banks				
in Current Accounts		431,925		21,644
In Deposit Accounts		5,619,804		360,000
		<u>6,167,945</u>		<u>930,504</u>
SCHEDULE - 8				
LOANS & ADVANCES				
Intercorporate Loans- (Un-secured but considered good)		208,208		11,075,440
Other Loans & Advances (Recoverable in Cash or in kind for value to be received un-secured considered good)		550,000		550,000
Deposits		794,791		477,291
Advance Tax / T.D.S / FBT		81,862		310,392
Advance for purchase of Property		1,500,000		1,500,000
Advances to Suppliers				1,504
Prepaid Insurance		36,972		13,225
Staff Advances		37,400		62,133
		<u>3,209,233</u>		<u>13,989,985</u>
SCHEDULE - 9				
CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
Sundry Creditors	2,027,005		1,510,805	
Outstanding Liabilities	<u>2,037,638</u>	4,064,643	<u>1,201,474</u>	2,712,270
B. PROVISIONS :				
Provision For Gratuity	863,077		863,077	
Current Tax			276,900	
Fringe Benefit tax	54,000	917,077	43,883	1,183,860
		<u>4,981,720</u>		<u>3,896,130</u>

SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2009 AMOUNT (Rs.)	AS ON 31.03.2008 AMOUNT (Rs.)
SCHEDULE - 10		
SALES		
Sale -Textile Division	39,611,969	36,579,741
Sales of Shares & Securities	26,388	-
	<u>39,638,357</u>	<u>36,579,741</u>
SCHEDULE - 11		
ACCRETION/(DECRETION) IN STOCK		
Opening Stock of Shares & Other Securities	221,700	379,855
Closing Stock of Shares & Other Securities	213,395	221,700
A	<u>(8,305)</u>	<u>(158,155)</u>
Opening Stock of Textiles items	3,670,368	2,714,352
Closing Stock of Textiles items	3,679,020	3,670,368
B	<u>8,652</u>	<u>956,016</u>
Total (A+B)	<u>347</u>	<u>797,861</u>
SCHEDULE - 12		
OTHER INCOME		
Dividend	47,670	700
Liability no Longer required	13,095	838
Interest Earned	251,771	67,500
Job Charges Received	9,005	40,393
Profit on sale of Investments	-	41,298
Interest Tax Refund	176,978	-
	<u>498,519</u>	<u>150,729</u>
SCHEDULE - 13		
RAW MATERIAL CONSUMED		
Opening Stock	3,005,209	1,617,707
Purchase - Synthetic Yarn	4,928,463	7,066,738
Purchases of Grey Cloth	8,615,319	9,903,171
Carriage Inward	19,455	48,220
	16,568,446	18,635,836
LESS:Closing Stock	1,531,482	3,005,209
Raw Material Consumed	15,036,964	15,630,627
Purchase of Finished Cloth	14,010,825	7,795,172
	<u>29,047,789</u>	<u>23,425,799</u>

PEETI SECURITIES LIMITED

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SCHEDULES FORMING PART OF ACCOUNTS

	AS ON 31.03.2009 AMOUNT (Rs.)	AS ON 31.03.2008 AMOUNT (Rs.)
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Consumables	25,750	29,273
Wages & other benefits to Employees	1,072,819	828,035
Electricity Charges	125,683	196,778
Weaving Charges	1,370,068	2,054,690
Jobwork - Printing & Dying	4,449,815	6,003,566
Packing Material	366,412	405,790
Factory Rent	120,000	449,140
Repairs & Maintenance-Factory	231,229	-
Repairs to Plant & Machinery	34,098	45,114
	<u>7,795,874</u>	<u>10,012,386</u>
SCHEDULE - 15		
OPERATING AND OTHER EXPENSES		
Auditor's Fee	28,060	28,060
AC Maintenance	6,500	-
Bad Debts written off	380,072	118,328
Carriage Outwards	70,766	74,872
General Expenses	24,149	30,444
Insurance	38,859	9,463
Listing fees	19,288	19,188
Loss on sale of assets	2,058	-
Postage, Telgrams & Telephones	146,456	153,031
Printing & Stationery	53,015	90,944
Professional fees	159,779	132,727
Repairs & Maintenance-Vehicles	44,696	27,738
Sales Commission	349,358	261,458
Travelling & Conveyance	363,040	306,768
Donation	3,000	-
Provision for Gratuity	-	66,000
Workmen Compensation	-	75,520
Managerial Remuneration	1,476,000	1,035,000
Miscellaneous Expenses	217,515	220,570
	<u>3,442,565</u>	<u>2,754,068</u>

SCHEDULE-16**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****1. 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 :

Contingent Liabilities:

- a) Claims against Company not acknowledged as debts : Nil
- b) Liability on partly paid-up shares : 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	
	31.03.2009	31.03.2008
Class of Product		
Grey cloth (in Mtrs) (Production Thru Job works)	8,34,837	12,75,089

*As certified by the Management

6. 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) (Previous Year)	-	-	0.086	7.31	0.063	5.13
	-	-	0.063	5.13	0.083	7.05
Grey Cloth (in Mtrs) (Previous Year)	6.27	59.98	1.07	8.01	1.96	24.92
	3.58	24.78	1.96	24.92	0.91	9.12
Finished Fabrics(Mtrs) (Previous Year)	15.95	336.14	2.06	36.79	2.79	36.68
	17.29	340.94	2.79	36.68	1.78	27.14

Raw Material Consumed :

	31-03-2009		31-3-2008	
	Qty (In M.Ts)	Amt	Qty (In M.Ts)	Amt.
PFY	0.68	49.29	0.97	71.15

7. Managerial Remuneration :

Manging Director

	31-03-2009	31-3-2008
1) Salary	7,20,000.00	4,50,000.00
2) House Rent Allowance	1,80,000.00	2,25,500.00
	<u>9,00,000.00</u>	<u>6,75,500.00</u>

PEETI SECURITIES LIMITED

	31-03-2009	31-3-2008
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Executive Director.

1) Salary	5,76,000.00	3,60,000.00
2) Value of Perquisites	1,25,688.00	1,22,694.00
	7,01,688.00	4,82,694.00

8. Remuneration to Auditors:

	31.03.2009	31.03.2008
For Audit Fees	10,000.00	10,000.00
For Tax Audit	8,060.00	8,060.00
Tax representation	10,000.00	10,000.00
	28,060.00	28,060.00

9. Related Party Disclosure:

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

List of Related Parties:

Name of Relation

1. Wife of Managing Director
2. Wife of Executive Director

Name of Related Party

1. Nisha Peeti
2. Sonika Peeti

Directors & Key Managerial Personnel.

1. Sandeep Peeti
2. Rajesh Peeti

Other Associates and Related Concerns

1. Peeti & Co

Transaction with Related Party

Name of Transaction	Director & KMP	Relative of directors & other Related Concerns
	(Rs. in lakhs)	(Rs. in lakhs)
Remuneration	14.76	—
Perquisites	1.26	—
Rent	0	1.20
Balances Outstanding as on 31-03-2009		
Rent Deposit	—	3.00
Remuneration Outstanding	12.87	—
Rent Outstanding	—	2.19

10. Segment Reporting :

For Segment Reporting for the period 01.04.2008 to 31.03.2009, the business segments have been identified based on products and activities of the company.

The following three segments are identified :

1. Trading in Textiles.
2. Trading in Shares & Other Securities.
3. Loans Advancing.

Segment Reporting :

S.No.	Particulars	For the F.Y. 2008-09	For the F.Y. 2007-08
(1)	Segment Revenue		
	A. Sales: Textiles	396.30	365.79
	B. Sales: Shares & Other Securities	0.66	0.00
	C. Interest on Loans Advancing	4.42	0.00
	D. Other Income	0.00	6.75
	Net Sales/Income from operations	<u>401.38</u>	<u>366.47</u>
(2)	Segment Results Profit(+) / (Loss) (-)		
	1. Trading in Textiles.	26.12	39.68
	2. Trading in Shares & Other Securities	0.66	(1.57)
	3. Loans Advancing	4.42	0.00
	4. Other income	0.00	1.09
	Total :	31.20	39.20
	Less: Other un-allocable expenditure	39.44	30.18
	Total Profit (+) /Loss (-) Before Tax & Interest	<u>(8.24)</u>	<u>9.02</u>
(3)	Capital Employed (Segment Assets and Liabilities)		
	1. Trading in Textiles	108.71	120.09
	2. Trading in Shares & Other Securities	2.13	2.22
	3. Loans Advancing	7.58	116.25
	4. Others	245.06	144.93
	Total	<u>363.48</u>	<u>383.50</u>

11. There are no dues to Micro and Small enterprises at the balance sheet date. This information has been provided to the extent parties have been identified by the company based on information available with it and has been relied upon by the auditors. Other disclosures with respect to dues to Micro and Small Enterprises are as follows:

PEETI SECURITIES LIMITED

PARTICULARS	AMOUNT
Principal amount remaining unpaid to Micro and small enterprises as at the end of the accounting year.	NIL
Interest due there on	NIL
Amount of interest paid by the company along with the amount of the payment made to the supplier beyond the appointed day during the year	NIL
Amount of interest due and payable for the period of delay in making payment (which have been paid, but beyond the appointed day) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	NIL
Amount of interest accrued and remaining unpaid at the end of the accounting year	NIL
Unpaid interest brought forward to current year	NIL

12. Prior Year Expenditure debited to Profit & loss Account represents TDS which could not be claimed and excess FBT paid as advance tax and which is not expected to be refunded.

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 :-

S.No.	Particulars	For the F.Y. 2008-09	For the F.Y. 2007-08
1.	Profit & (Loss) for the year after provision for Taxation but before Prior Year Adjustments.	(8,64,922)	6,49,055
2.	No. of Shares	37,50,400	37,50,400
3.	Earning / (Loss) Per Share	Rs. (0.23)	Rs. 0.17

For MKA ASSOCIATES
Chartered Accountants

Sd/-
MANOJ KUMAR AGARWAL
Partner

Place: Hyderabad.
Date : 01-08-2009

For and on behalf of the Board.

Sd/-
SANDEEP PEETI
Managing Director

Sd/-
RAJESH PEETI
Executive Director

PEETI SECURITIES LIMITED

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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, 2009	31st March, 2008
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 Mobilisation and Deployment of Funds:		
Total Liabilities	38,948,790	40,075,459
Total Assets	38,948,790	40,075,459
Sources of Funds :		
Paid up Capital	37,504,000	37,504,000
Secured Loans	-	-
Un-secured Loans	-	-
Application of Funds:		
Net Fixed Assets	16,404,484	14,284,991
Net Current assets	16,859,837	24,068,777
Profit & Loss A/c (Accumulated Losses)	2,599,509	1,721,692
4. Performance of the Company :		
Income	40,137,223	37,528,331
Total Expenditure	40,948,145	36,874,807
Profit/(Loss) before Tax	(823,817)	653,524
Profit/(Loss) After Tax	(877,817)	(186,458)
Earning/(Loss) per share	(0.23)	(0.05)
Dividend Rate	NIL	NIL
5. Generic Names of Principal Products/Service of the company		
SERVICES	Description : i) Loans Advancing : ii) Trading in Shares	
PRODUCTS	: i) Polyester Yarn : ii) Grey Cloth : iii) Finished Cloth	

For MKA ASSOCIATES
Chartered Accountants

Sd/-
MANOJ KUMAR AGARWAL
Partner

Place: Hyderabad.
Date : 01-08-2009

For and on behalf of the Board.

Sd/-
SANDEEP PEETI
Managing Director

Sd/-
RAJESH PEETI
Executive Director

PEETI SECURITIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	AS ON 31.03.2009 AMOUNT (Rs.)	AS ON 31.03.2008 AMOUNT (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extraordinary Items	(8.11)	6.54
Adjustments for :		
Depreciation	5.47	4.34
Interest	1.15	2.48
Loss on sale of fixed assets	0.02	-
Provision for Gratuity	-	0.66
Profit on sale of Investment	6.64	(0.41)
Operating Profit/(Loss) before working capital changes	(1.47)	13.61
Adjustments for :		
Trade Receivables & Other Receivables	98.87	90.22
Inventory	14.73	(21.85)
Trade Payable	13.52	8.91
Cash Generated/(outgo) from Operation	125.66	90.89
Interest paid	(1.15)	2.48
Direct Taxes paid	(3.35)	3.25
Cash Flow before extraordinary item	121.16	85.16
Extraordinary Items	-	-
Net Cash Flow/(used) from/in Operating Activities (A) :	121.16	85.16
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase) /decrease in investment	(30.84)	0.81
Decrease/ (Increase) in Fixed Assets	(26.69)	(124.82)
Net Cash Flow/(used) from/in Investing Activities (B) :	(57.53)	(124.01)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital	-	20.60
Secured Loans	(11.26)	-
Unsecured Loans	-	-
Net Cash Flow/(used) from/in Financing Activities (C) :	(11.26)	20.60
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	52.37	(18.25)
Cash and Cash equivalent (Opening)	9.30	27.55
Cash and Cash equivalent (Closing)	61.67	9.30
Schedules 1 to 16 form an integral part of the Accounts		

For MKA ASSOCIATES
Chartered Accountants

Sd/-
MANOJ KUMAR AGARWAL
Partner

Place: Hyderabad.
Date : 01-08-2009

Note : Figures in Bracket Indicate Outflow

For and on behalf of the Board.

Sd/-
SANDEEP PEETI
Managing Director

Sd/-
RAJESH PEETI
Executive Director

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 2009 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

MANOJ KUMAR AGARWAL
(Partner)

Place: Hyderabad
Date: 01-08-09

For and on behalf of the Board
Sd/-
RAMESH PEETI
Executive Director

MANOJ KUMAR AGARWAL
Place: Hyderabad
Date: 01-08-09

PEETI SECURITIES LIMITED

Survey No:71, Opp: BSNL Office, Beside MP Hardware Lane,
Old Kurnool Road Kattedan, Hyderabad - 500 077.

**FIFTEENTH 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 15th Annual General Meeting of the Company being held on
30th September 2009 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/Weof.....

In the district of.....

Being a member(s) of **PEETI SECUTIES LIMITED** HEREBY

Appointin

the district of

of failing him/herof.....

in the district of

As my/our Proxy to attend and vote for me/'s and on my/our behalf at the 15th Annual
General Meeting of the Company to be held on 30th September 2009 at 10.00 a.m. at
Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.

As Witness my/hand/our hands this.....day of.....2009

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**