

**18th
ANNUAL REPORT
2011 - 2012**

PEETI SECURITIES LIMITED

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BOARD OF DIRECTORS

Sri Sandeep Peeti	: Chairman & Managing Director
Sri Rajesh Pitty	: 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.

Indian Bank
Surat

**REGISTRARS AND SHARE
TRANSFER AGENTS**

: CIL Securities Limited
II Floor, 214,Raghava Ratna Towers
Chirag Ali Lane
Hyderabad - 500 001.

LISTED AT

: The BSE Limited

NOTICE

Notice is hereby given that the **Eighteenth Annual General Meeting** of the members of the Company will be held on Tuesday the **30th October 2012** 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, 2012, 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 Ajay Garg who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

Place: Hyderabad

Date: **20th September 2012**

BY ORDER OF THE BOARD

Sd/-

SANDEEP PEETI

CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books will remain closed from Friday 26th October 2012 to Tuesday 30th October 2012 (both days inclusive).
4. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
5. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name / sequence of names.

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

Sri Ajay Garg is commerce graduate and presently engaged in the manufacture of HDPE bags for the past 14 years. He has vast experience in accountancy and taxation matters. He is presently member of Audit Committee, Remuneration Committee and investors and shareholders grievance committee.

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting the EIGHTEENTH ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS (Rs. In Lakhs)

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
Sales	534.58	752.12
Other Income	0.50	0.98
Profit before depreciation and tax	535.08	18.47
Depreciation	4.98	4.43
Net profit before tax	530.01	14.04
Prior period adjustments	0.00	(0.18)
Net profit/loss before Tax	(12.42)	13.86
Provision for taxation		
a. Current	NIL	(2.94)
b. Deffered Tax	4.00	
c. Fringe Benefit Tax		
Profit after tax	(8.42)	10.91
Deficit brought forward from the previous year	(14.63)	(25.24)
Surplus/ (deficit) carried to balance sheet	(23.05)	(14.63)

OPERATIONS:

During the year under review, your company has achieved a total income of Rs. 534.58 lakhs as against previous year's income of Rs. 752.12 Lakhs and recorded a net loss of Rs. 8.42 Lakhs for the financial year 2011-12 when compared to a net profit of Rs. 10.91 Lakhs during the previous year.

During the financial year under review the ongoing severe recession that the economy is witnessing in almost all the industries the company is able to achieve low turnover as compared to last financial year and due to low turnover and high expenditure the company has recorded nominal loss in the current financial year

The Company is hopeful that this fiscal the economy will witness upward trend and good business despite of huge competition in wholesale prices and doing trading with fewer margins to sustain in the market. 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 2011-2012 as the company has incurred loss in the business operations.

PARTICULARS OF EMPLOYEES:

Pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, no employee of your Company is in receipt of remuneration exceeding Rs.5,00,000/- per month or Rs.60,00,000/- per annum during the financial year.

DIRECTORS:

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

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, 2012, 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, 2012 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 2011-2012 from Mr. B L Chandrasekhar Sarma Practicing 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.

POSTAL BALLOT:

The Board of Directors in the meeting held on 20th September, 2012 has proposed an "Ordinary Resolution" under the provision of Section 293 (1) (a) of the Companies Act, 1956 and pursuant the provision Section 192A of the Companies Act, 1956 read with The Companies (Passing of Resolution by Postal Ballot) Rules, 2011, to sell, deal, negotiate, enter into joint venture, or dispose off the whole or part of land admeasuring 742.10 square yards situated at H.No. 6-3-252, Erramanzil, Hyderabad, Andhra Pradesh.

The Board of Directors has appointed Mr. Gamini Srilakshmi Narayana Gupta Company Secretary in practice Hyderabad as scrutinizer for conducting the postal ballot process in fair and transparent manner.

The result of the Postal Ballot will be announced by the Chairman at the ensuing 18th Annual General Meeting of the Company to be held on 30th October, 2012 at Bhagyanagar Function Hall, L B Nagar, Hyderabad.

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.

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/-

Place :Hyderabad

SANDEEP PEETIDate :20th September 2012 Chairman & Managing Director

Sd/-

RAJESH PITY

Executive Director

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 the above R&D | NIL |
| 3. Expenditure on R&D | |
| Capital | NIL |
| Recurring | NIL |
| Total | NIL |
| Total R&D Expenditure as % of total turnover | NIL |

Technology Absorption, Adaptation and Innovation

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo:	2011-12	2010-11
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	NIL	NIL

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

Since ancient times Indian Textile industry has been well known for her textile goods during the colonial regime the traditional textile industry of India was virtually decayed. However, in the early nineteenth century the modern textile industry took birth in India when the first textile mill was established at Fort Gloster near Calcutta in 1818. Next to Agriculture India mainly is into the Textile Sector. Indian Textile Industry is one of India's oldest industries and has a formidable presence in the national economy as it contributes to about 14% of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people.

Indian Textile Industry has earned a unique place in our country. It is among one of the industries which were earliest to come into existence in India. It accounted for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. This industry provides one of the most basic needs of people and holds importance; maintaining sustained growth for improving quality of life. It has an image of self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing which forms a major contribution to the country's economy. India textile industry is one of the leading in the world. Currently the Indian Textile Industry is estimated to be around US\$ 52 billion and is also projected to be around US\$ 115 billion by the year 2012. The current Indian domestic market of textile is expected to be increased to US\$ 60 billion by 2012 from the current US\$ 34.6 billion

CHALLENGES FACED BY THE TEXTILE INDUSTRY

Some of the major challenges that our textile industry faces today include organizational flaws in weaving and processing, a fragmented and scientifically backward textile processing sector, and infrastructural logjams in terms of power, road transport etc. After identifying the key issues troubling the industry, efforts were made to do away with them. The government came out with a number of schemes to upgrade textile production.

Modern equipment is essential for higher productivity from weaving machines and for minimising fabric defects due to yarn breakage or machine malfunctioning. Monitoring software can also help better data collection as well as inventory management functions.

INDUSTRY OUTLOOK:

The Indian Textile Industry of India is vast and growing with presence of several national and international brands. The main segments of the Indian textile industry are Man-made Textiles, Cotton Textiles including Handlooms, Silk Textiles, Woolen Textiles, Handicrafts, Coir, Readymade Garments, and Jute. Job opportunities are diverse in nature in the textile industry ranging from production, designing, distribution and sales. The need for manpower for the textile industry is growing to keep up with the growing demand; freshers are finding numerous job opportunities in the textile industry of India. The Indian textile industry offers opportunities to fresher's from various academic backgrounds as nature of job is diverse. A textile engineer must have an engineering background; either B.E. or B.Tech is preferred. The industry considers even the textile diploma for jobs. One more interesting demand for textile industry is the textile faculties which are in rise, for which a post graduate degree is mandatory. Textile sales executives is another opportunities required by the apparel stores where graduates are recruited from all disciplines. Textile designing requires the Knowledge of softwares like Photoshop, Corel Draw, etc

Opportunities & Threats

Your Company is engaged in trading, dyeing and designing of finished cloth 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.

Company Outlook

The Board of Directors of your Company feel that in coming years our company will grow vastly in trading. The required measures have been taken in this regard.

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.

The constitution of the Board is given below:

Name of the Director	Category	Attendance at AGM held on 30.09.2011	Attendance in Board Meeting		Other Boards		
			Held	Attended	Director ship	Committee chairman ship	Committee member ship
Rajesh Pitty	Promoter & Whole-time Director	Yes	7	7	Nil	Nil	Nil
Sandeep Peeti	Promoter & Managing Director	Yes	7	7	1	Nil	Nil
Rajkumar Agrawal	Non-Executive & Independent Director	Yes	7	5	Nil	Nil	Nil
Rajeev Peeti	Non-Executive & Independent Director	Yes	7	6	Nil	Nil	Nil
Ajay Garg	Non-Executive & Independent Director	Yes	7	5	1	Nil	Nil

Date of Board Meetings

During the financial year 2011-12, 7 (Seven) Board Meetings were held on the following dates:

30.04.2011	15.05.2011	30.07.2011	25.08.2011
30.09.2011	29.10.2011	30.01.2012	

3. Audit Committee:

◆ Brief description of terms of reference

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

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

◆ **Composition**

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

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

◆ **Meetings during the year**

During the Financial year 2011-2012, the Audit Committee met five times on

30.04.2011	15.05.2011	30.07.2011	29.11.2011	30.01.2012
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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

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 2011-12.

Name of Director	Sitting Fees	Salary & Perks	TOTAL
Sandeep Peeti	Nil	9,00,000-	9,00,000-
Rajesh Pitty	Nil	7,20,000-	7,20,000-
Sri Rajeev Peeti	Nil	Nil	Nil
Sri Ajay Garg	Nil	Nil	Nil
Sri Rajkumar Agarwal	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 Peeti	Chairman
Sri Rajkumar Agrawal	Member
Sri Ajay Garg	Member

Name & Designation of the Compliance Officer:

Name : Mr. Rajesh Pitty
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
2010-11	17th AGM	Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.	Friday 30th September, 2011	10.00 A.M.
2009-10	16th AGM	Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.	Thursday 30th September, 2010	10.00 A.M.
2008-09	15th AGM	Bhagyanagar Function Hall, L.B.Nagar, Hyderabad.	Wednesday 30th September, 2009	10.00 A.M.

No special resolution is passed in the last 3 Annual General Meeting of the Company

POSTAL BALLOT

- No resolution was passed through postal ballot during the year ended 31st March, 2012.
- No "Special Resolution" is proposed to be conducted through Postal ballot except an "Ordinary Resolution" is proposed to be conducted at the ensuing 18th Annual General Meeting

Further in the Board Meeting held on 20th September, 2012, a ordinary resolution is proposed to be passed by the company under the provision of Section 293 (1) (a) of the Companies Act, 1956 through postal ballot to sell, deal, negotiable, enter into joint venture, or dispose off the whole or part of land admeasuring 742.10 square yards situated at H.No. 6-3-252, Erramanzil, Hyderabad.

Mr. Gamini Srilakshmi Narayana Gupta Company Secretary in practice Hyderabad is appointed as scrutinizer for conducting the postal ballot process in fair and transparent manner.

The result of the postal Ballot will be announced by the Chairman at the ensuing 18th Annual General Meeting of the Company to be held on 30th October, 2012 at Bhagyanagar Function Hall, L.B. Nagar, Hyderabad.

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 - **NIL**.
- 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.
- Quarterly results are updated in the company website: www.peetisecuritiesltd.com
- Management Discussion and Analysis forms part of the Directors' Report.
- Compliance certificate forms part of the Director's Report.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting :
 Day, Date and time : Tuesday, 30th October, 2012 at 10.00 A.M.
 Venue : Bhagyanagar Functional Hall,
 L. B. Nagar, Hyderabad.
 Financial Year : 1st April 2011 to 31st March 2012
 Dividend Payment Date : NA

Financial Calendar :

EVENT	DATES
First quarter un-audited (Provisional) financial results	Last Week of July, 2012
Second quarter un-audited (Provisional) financial results	Last Week of October, 2012
Third quarter un-audited (Provisional) financial results	Last Week of January, 2013
Fourth quarter un-audited (Provisional) financial results	Last Week of April, 2013

Book Closure Date : Friday 26th October 2012 to Tuesday 30th October, 2012 (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 2011-12, High and Low of the each month of the company's equity shares during the last Financial Year 2011-12 at Bombay Stock Exchange Limited are given below:

Month	Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)
April, 2011	7.60	6.88
May, 2011	7.70	7.32
June, 2011	6.96	4.81
July, 2011	4.86	3.45
August, 2011	5.74	5.00
September, 2011	6.21	5.61
October, 2011	5.33	4.82
November, 2011	4.58	4.15
December, 2011	5.01	4.35
January, 2012	6.50	5.00
February, 2012	6.20	3.48
March, 2012	4.83	4.02

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 agreement with both NSDL and CDSL to dematerialise its shares, which enable the company's shares to be transferred electronically through Depositories System.

PEETI SECURITIES LIMITED

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SHARE HOLDING PATTERN AS ON 31ST MARCH 2012

Sl. No.	Category	No. of Shares Held	% of Shares Holding
A1	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP INDIAN		
	Individuals/Hindu Undivided Family	907850	24.21
	Central Government /State Government(s)	-----	-----
	Bodies Corporate	342900	9.14
	Financial Institutions/Banks		
	Sub Total of A1	1250750	33.35
A2	FOREIGN		
	Individuals (Non-Residents)	-----	-----
	Bodies Corporate	-----	-----
	Institutions	-----	-----
	Any Other (Specify)	-----	-----
	Sub Total of A2	1250750	33.35
	TOTAL PROMOTERS SHAREHOLDING (A1 +A2)		
B 1.	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
B2	Non Institutions		
	Bodies Corporate	411072	10.96
	Individuals share holders holdings		
	Nominal Capital upto Rs 1 Lakh	1476915	39.38
	Nominal Capital in excess of Rs 1 Lakh	546163	14.56
	Any Other (Specify)		
	NRIs/OCBs	-----	-----
	Foreign Collaborators	-----	-----
	Clearing Members	-----	-----
	Sub Total B2	2434150	64.90
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	2499650	66.65
C	Shares held by Custodian and against which Depository Receipts have been issued	-----	-----
	TOTAL A+B+C	3750400	100

Distribution of Shareholding : as on 31.03.2012

Sl. No.	Category From - To Rs. Ps.	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	1780	94.83	1148547	30.62
2	5001 - 10000	54	2.88	388890	10.37
3	10001 - 20000	22	1.17	295332	7.87
4	20001 - 30000	4	0.21	95200	2.54
5	30001 - 40000	2	0.11	74331	1.98
6	40001 - 50000	1	0.05	50000	1.34
7	50001 - 100000	8	0.43	621400	16.57
8	100001 and above	6	0.32	1076700	28.71
	Total	1877	100.00	3 7,50,400	100.00

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

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

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

CEO&CFO CERTIFICATION : The Chairman & Managing Director of the Company give annual certificates on financial reporting and internal controls to the board in terms of clause 49. Annexure enclosed.

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 2011-2012.

Sd/-

Sandeep Peeti
Chairman cum managing Director

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificates:

I, Sandeep Peeti, chairman & Managing Director of M/s Peeti Securities Limited to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2012
2. To the best of our knowledge and belief:
 - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - b) The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
 - a) There has not been any significant change in internal control over financial reporting during the year under reference;
 - b) There has not been any significant changes in accounting policies during the year under reference; and
 - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date : 20-09-2012

Sd/-
Sandeep Peeti
Chairman & Managing Director

COMPLIANCE CERTIFICATE

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

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

We have examined the registers, records, books and papers of M/s Peeti Securities Limited (The Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2012. 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 seven times on 30.04.2011, 15.05.2011, 30.07.2011, 25.08.2011, 30.09.2011, 29.10.2011, 30.01.2012 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 27th September, 2011 to Friday, 30th September, 2011 (both days inclusive) for the purpose of 17th 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, 2011 was held on 30.09.2011 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.
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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 Rajesh Peeti, the retiring director is reappointed as director by the members in the 17th Annual General Meeting held on 30th September, 2011 and there were no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed/re-appointed any Managing Director /whole-time director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. There were no instances wherein the Company has to obtained any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under during the financial year.
19. The Company has not allotted any shares/debentures/other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of Preference Shares / Debentures during the financial year under review as the company has not issued any preference shares or debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited any deposits falling within the purview of Section 58A during the financial year under review.
24. The company has not borrowed any amounts from its Directors, members, public, financial institutions, banks and others during the financial year under review.
25. The Company has not given any guarantees or made investments in other bodies corporate falling within the purview of the section 372A of the Companies Act, 1956 during the financial year under review.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital during the financial year under review.
-

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

PLACE: Hyderabad
DATE: 20.09.2012

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

ANNEXURE - A**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, 2012

Sl.No.	Forms Returns	Section	Purpose	Remarks
1.	Compliance Certificate	383A	For the Financial year 2010-11	Filed with Normal Fees on 21.10.2011
2.	Balance Sheet	220	For the Financial Year 2010-11	Filed with Normal fees on 21.12.2011
3.	Annual Return	159	As on 30 th September, 2011	Filed with Normal fees on 25.11.2011

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 2012 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 an 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. 005992S

PLACE: Hyderabad
DATE: 20.09.2012

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, 2012 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 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 they 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, 2012 and taken on records, none of the Directors of the company is, prima-facie, as at 31st March, 2012 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, 2012 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 M.K.A. Associates
Chartered Accountants
Sd/-

Manoj Kumar Agarwal
(Partner)

Membership No:201740
Firm Reg. No. 005992S

PLACE: Hyderabad
DATE: 20.09.2012

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, 2012 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 31-03-2012 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 M.K.A. Associates
Chartered Accountants

Sd/-
Manoj Kumar Agarwal
(Partner)

PLACE: Hyderabad
DATE: 20.09.2012

Membership No:201740
Firm Reg. No. 005992S

BALANCE SHEET AS AT 31st MARCH, 2012

(Amts. in '000)

Particulars	SCH No.	As on 31-03-2012	As on 31-03-2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	37,504	37,504
(b) Reserves and Surplus	2	-2,306	-1,464
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	112	512
(b) Long term provisions	4	863	863
(3) Current Liabilities			
(a) Trade payables		129	702
(b) Other current liabilities	5	5,418	5,579
(c) Short-term provisions	6		295
Total		41,720	43,991
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	2,552	3,015
(b) Non-current investments	8	17,055	15,909
(c) Long term loans and advances	9	1,500	1,500
(d) Long term deposits		343	325
(2) Current assets			
(a) Current investments	10	249	248
(b) Inventories	11	4,026	8,293
(c) Trade receivables	12	6,768	10,383
(d) Cash and Bank Balances	13	8,271	3,743
(e) Short-term loans and advances	14	920	547
(f) Other current assets	15	36	28
Total		41,720	43,991

As Per Our Report Of Even Date

For and on behalf of the Board

For M K A ASSOCIATESChartered Accountants
Reg No.05992S**MANOJ KUMAR AGARWAL**

Partner

PLACE: Hyderabad

DATE: 20.09.2012

Sd/-
SANDEEP PEETI
Managing DirectorSd/-
RAJESH PITY
Executive Director

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Amts. in '000)

Particulars	SCH No.	Year Ending 31-03-2012	Year Ending 31-03-2011
I. Revenue from operations	16	53,458	75,212
II. Other Income	17	50	98
III. Total Revenue (I +II)		53,508	75,310
III. Expenses:			
Purchase of Stock-in-Trade		43,423	69,972
Changes in inventories of Finished goods, WIP and Stock-in-Trade		4,267	-2,810
Employee benefit expense	18	3,364	2,784
Financial costs	19	30	62
Depreciation and amortization expense		498	444
Other expenses	20	3,170	3,473
Total Expenses		54,751	73,925
IV. Profit/(Loss) before Tax (III - IV)		-1,242	1,386
V. Tax expense:			
(1) Current tax			295
(2) Excess Provision of Deferred tax Written back		400	
VI. Profit/(Loss) for the period (XI + XIV)		-842	1,091
VII. Earning per equity share:			
(1) Basic		(0.22)	0.29
(2) Diluted		(0.22)	0.29

As Per Our Report Of Even Date

For and on behalf of the Board

For M K A ASSOCIATES

Chartered Accountants
Reg No.05992S

MANOJ KUMAR AGARWAL

Partner

PLACE: Hyderabad

DATE: 20.09.2012

Sd/-
SANDEEP PEETI
Managing Director

Sd/-
RAJESH PITY
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Amts. in '000)

Particulars	For the Year Ended	For the Year Ended
	31.03.2012	31.03.2011
	Rs. (in Lakhs)	Rs. (in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extraordinary Items	-1,242	1,386
Adjustments for :		
Depreciation	498	444
Assets written off		38
Interest paid	30	62
Dividend Earned	-4	-75
Interest Received		-3
Profit on sale of Assets		-16
	524	450
Operating Profit/(Loss) before working capital changes	-718	1,836
Adjustments for :		
Trade Receivables & Other Receivables	3,215	-651
Inventory	4,267	-2,810
Trade Payable & other Current Liabilities	-525	2,917
	6,957	-544
Cash Generated/(outgo) from Operation	6,239	1,292
Direct Taxes paid	-295	-19
Cash Flow before extraordinary Item	5,944	1,273
Net Cash Flow/(used) from/in Operating Activities (A) :	5,944	1,273
B CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase) /decrease in Investment	-1,146	
Decrease/ (Increase) in Fixed Assets	-34	-610
Dividend Earned	4	75
Interest Earned		3
Net Cash Flow/(used) from/in Investing Activities (B) :	-1,177	-532
C CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital		
Secured Loans	-209	-383
Unsecured Loans		
Interest paid	-30	-62
Net Cash Flow/(used) from/in Financing Activities (C) :	-239	-445
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	4,528	295
Cash and Cash equivalent (Opening)	3,743	3,447
Cash and Cash equivalent (Closing)	8,271	3,742

As Per Our Report Of Even Date

For M K A ASSOCIATES

Chartered Accountants

Reg No.05992S

MANOJ KUMAR AGARWAL

Partner

PLACE: Hyderabad

DATE: 20.09.2012

For and on behalf of the Board

Sd/-

SANDEEP PEETI

Managing Director

Sd/-

RAJESH PITY

Executive Director

NOTES TO BALANCE SHEET

NOTE NO. 1 : SHARE CAPITAL

(Amts. in '000)

S. No.	Particulars	No. of Shares	As on 31.03.2012	No. of Shares	As on 31.03.2011
a	Share Capital (For each class of capital)				
	(a) Authorised Share Capital	4,500,000	45,000	4,500,000	45,000
	(b) Issued, subscribed & fully paid up Equity Shares of Rs 10 Each	3,750,400	37,504	3,750,400	37,504
	Total No of Shares at Opening Accounting Period	3,750,400		3,750,400	
	Add:				
	No Of Shares Issued During the Year	-		-	
	Total No of Shares at end of accounting period	3,750,400		3,750,400	
1	The Company has only one Class of Equity Shares having a par value of Rs 10/- per share, Each Share Holder is eligible for one Vote per Share				
2	There is no Share Holder holding more than 5% of the aggregate shares in the Company				

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	RESERVES AND SURPLUS		
	a) Reserves	NIL	NIL
	b) Surplus		
	Opening Balance	-1,464	-2,554
	Add/(Less): Net Profit/(Net Loss) for the year	-842	1,091
	Total Reserves and Surplus	-2,306	-1,464

NOTE NO. 3 : DEFERRED TAX LIABILITY

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
	Deferred Tax Liability		
	As per last Balance Sheet	512	512
	Less: Written off during the year	-400	
	Total Deferred Tax Liability	112	512

NOTE NO. 4 : LONG TERM PROVISIONS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	a) Provision for Gratuity	863	863
	Total Long Term Provisions	863	863

NOTE NO. 5 : OTHER CURRENT LIABILITES

(Amts. in '000)

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	a) Current maturities of Term Loan from Bank*		209
	b) Other Payables	5,418	5,370
	Total Other Current Liabilites	5,418	5,579

*Terms of Borrowings

S. No.	Particulars of Lender	Nature of Loan	Terms of Repayment	Interest Type	Nature of Security
a	HDFC BANK LTD	Vehicle Loan	6 EMI'S	Rate of interest 11.60% p.a. as at year end	Respective Vehicle under the loan

NOTE NO. 6 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	Provision for Income Tax		295
	Total Short Term Provisions		295

NOTE NO. 7 : IN NEXT PAGE**NOTE NO. 8 : NON- CURRENT INVESTMENTS**

S. No.	Particulars	No. of Shares	As on 31.03.2012	No. of Shares	As on 31.03.2011
I	a) Investment Property		14,055		12,909
	b) Investment in Equity Shares Theme Ambience Resorts & Hotels Pvt Ltd (Unquoted)	15,000	3,000	15,000	3,000
	Total Non - Current Assets		17,055		15,909

NOTE NO. 9 : LONG- TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	Advance for Purchase of Land	1,500	1,500
	Total Long - Term Loans and Advances	1,500	1,500

PEETI SECURITIES LIMITED

**NOTES TO BALANCE SHEET
NOTE NO 7: TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2012** (Amts. in '000)

Sl. No.	Particulars	Gross Block						Depreciation/Amortization			Net Block as on 31.03.2012	Net Block as on 31.03.2011
		As on 01.04.2011	Additions during the year	Additions through Business acquisitions	Sale / Deletions during the year	As on 31.03.2012	Dep. As on 01.04.2011	Dep. For the year 2011-2012	Total Depreciation	Net Block as on 31.03.2012	Net Block as on 31.03.2011	
1	PLANT & MACHINERY	2,224	5	-	-	2,229	1,913	144	2,057	172	311	
2	ELECTRICAL EQUIPMENT	172	-	-	-	172	54	8	62	110	118	
3	OFFICE EQUIPMENT	418	30	-	-	447	77	20	97	350	340	
4	COMPUTERS	210	-	-	-	210	121	34	155	55	89	
5	FURNITURE	262	-	-	-	262	96	17	113	150	167	
6	VEHICLES	2,896	-	-	-	2,896	906	275	1,181	1,715	1,990	
	TOTAL	6,182	34	-	-	6,217	3,167	498	3,665	2,552	3,015	
	PREVIOUS YEAR	8,047	85	-	1,950	6,182	4,618	444	3,167	3,015	15,780	

NOTE NO. 10 : CURRENT INVESTMENTS

(Amts. in '000)

S. No.	Particulars	As at 31.03.2012		As at 31.03.2011	
		No's	Amount	No's	Amount
I	Current investments :				
	a) Investment in equity Shares of:				
	01. Adiyaman Investment Limited	10,000	1	10,000	1
	02. Ambik Protein Limited	8,000	1	8,000	1
	03. Annapurna Foils Limited	100		100	
	04. Aryan Share & Stock Limited	14,800	1	14,800	1
	05. CT Cotton Limited	100		100	
	06. Ispat Profiles Limited	100		100	
	07. Janzen Cast Metals Limited	2,200		2,200	
	08. M.K.Securities Ltd	100		100	
	09. Multicolour Offset Limited	1,500		1,500	
	10. Nu-Tech Agro Ltd	1,800		1,800	
	11. Paramani Replast Limited	5,000	1	5,000	1
	12. Prudential Pharmaceuticals Limited	500		500	
	13. Shree Krithika Hold Limited	3,500		3,500	
	14. Snehadhara Industries Limited	200		200	
	15. Spring Field Limited	58,900	6	58,900	6
	16. Top Telemedia Limited	55,900	6	55,900	6
	17. Vibrant Investments Limited	53,200	5	53,200	5
	18. Weld Flux Limited	10,000	1	10,000	1
	19. Esther India Limited	100		100	
	20. BNR Udyog Limited	65,300	131	65,300	131
	21. JSW Steel Limited	140	50	140	50
	22. Larsen & Turbo Ltd	20	25	20	25
	23. Regaliaa Realty Ltd	41,300	4	41,300	4
	24. Panasonic Home Appliances India Co.Ltd	100	1	100	1
	25. Zen Technology Ltd	1,000	5	1,000	5
	b) Other investments -Silver Coins		10		10
	Total Current Investments		249		248

Market Value of Shares**NOTE NO. 11 : INVENTORIES**

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	Inventories :		
	a) stock - in - trade	4,026	8,293
	Total Inventories	4,026	8,293

NOTE NO. 12 : TRADE RECEIVABLES

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	Unsecured and Considered Good		
	a) Outstanding more than 6 months	144	360
	b) Outstanding less than 6 months	6,624	10,023
	Total Trade Receivables	6,768	10,383

NOTE NO. 13 : CASH AND CASH EQUIVALENTS (Amts. in '000)

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	Cash and cash equivalents :		
	a) Balances with banks :	8,163	3,636
	b) Cash on hand	108	106
	Total Cash and Cash Equivalents	8,271	3,743

NOTE NO. 14 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
	Unsecured and Considered Good		
	a) Loans and advances	36	61
	b) Advances to Suppliers	837	431
	c) Staff Advances	48	55
	Total Short Term Loans and Advances	920	547

NOTE NO. 15 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
I	a) Pre paid Insurance	32	28
	b) TDS / Advance Tax	4	
	Total Other Current Assets	36	28

NOTES TO STATEMENT OF PROFIT & LOSS

NOTE NO. 16 : REVENUE FROM OPERATIONS

S. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
(i)	(a) Sale of Products	53,458	75,212
	Total Revenue from Operations	53,458	75,212

NOTE NO. 17 : OTHER INCOME

S. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
I	(a) Interest income		3
	(b) Dividend Income	4	75
	(c) Other non-operating income	46	21
	Total Other Income	50	98

NOTE NO. 18 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
I	(a) Salaries & Wages	1,654	1,185
	(b) Contribution to Provident & Other Funds, ESI	45	35
	(c) Staff Welfare Expenses	45	40
	(d) Managerial Remuneration	1,620	1,524
	Total Employee Benefit Expenses	3,364	2,784

NOTE NO. 19 : FINANCE COSTS

(Amts. in '000)

S. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
I	(a) Interest Expenses	30	62
	Total Finance Cost	30	62

NOTE NO. 20 : OTHER EXPENSES

S. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
I	(a) Power & Fuel	106	112
	(b) Rent	480	480
	(c) Repairs to Building	18	6
	(d) Repairs to Machinery	59	31
	(e) Insurance	49	49
	(f) Rates & Taxes	36	98
	(g) Miscellaneous Expenditure		
	(1) Job Work Charges	553	-
	(2) Other Miscellaneous Expenditure	1,830	2,640
	(h) Payment to Auditors:		
	(i) As Auditor	12	12
	(ii) for taxation matters	10	10
	(iii) for any other matters	12	12
	(iv) Management Services	-	6
	(i) Prior Period Items	6	18
	Total Other Expenses	3,170	3,473

31-03-2012

31-03-2011

21	Estimated amount of contracts to be executed on capital account and not provided for	NIL	NIL
22	Contingent liabilities and commitments (to the extent not provided for)		
	<u>(i) Contingent Liabilities</u>		
	(a) Claims against the Company not acknowledged as debts	NIL	NIL
	(b) Guarantees	NIL	NIL
	(c) Other money for which the company is contingently liable	NIL	NIL
	<u>(ii) Commitments</u>		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
	(b) Uncalled liability on shares and other investments partly paid	NIL	NIL
	(c) Other commitments	NIL	NIL

23 Additional information pursuant to the provision of Part-II of Schedule-VI to the Companies Act. 1956 to the extent applicable

a) Details of Closing Stock: (Amts. in '000)

Particulars	Qty in Mtr	Value	Qty in Mtr	Value
1. Raw material (Grey Cloth)	-	-	12	426
2. Finished goods	126.46	4026.33	272	7,867

b) Details of Turnover:

Particulars	Qty in Mtr	Value	Qty in Mtr	Value
Finished Fabrics & Grey Cloth	1,750	56,026	28.56	78,839

c) Raw material Consumed:

Particulars	Qty in Mtr	Value	Qty in Mtr	Value
Raw Material Consumed (Grey Cloth)	12	426	-	-

d) Consumption of Imported Raw material	NIL	NIL
24 Expenditure in Foreign Currency	NIL	NIL
25 Earnings in Foreign Currency	NIL	NIL
26 No Provision has been made for Gratuity as none of the Employees have completed the qualifying period of service	NIL	NIL

27 Related party Transactions:

1) Related Persons:

- a) Mrs. Nisha Peeti (Wife of Managing Director)
- b) Mrs. Sonika Peeti (Wife of Executive Director)

2) Key Management Persons:

- a) Mr. Sandeep Peeti (Managing Director)
- b) Mr. Rajesh Pitty (Executive Director)

3) Related Party Transactions during the year:

a) Remuneration & HRA to Mr. Sandeep Peeti	900	900
b) Remuneration & HRA to Mr. Rajesh Pitty	720	718
c) Rent Paid to Mrs. Nisha Peeti	240	240
d) Rent Paid to Mrs. Sonika Peeti	240	240

- 28 **Segment Reporting:** Disclosures requirements of Accounting Standards -17 are not applicable for the Company for the Current Year 2011-12, as the Company has been operating in a single segment i.e., Manufacturing and Trading in Textiles
- 29 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre- revised Schedule VI to the Companies Act,1956. Consequent to the notification under the Companies Act,1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

As Per Our Report Of Even Date

For M K A ASSOCIATES
Chartered Accountants
Reg No.05992S
MANOJ KUMAR AGARWAL
Partner
Place : Hyderabad
Date : 31-07-2012

For and on behalf of the Board

Sd/-
SANDEEP PEETI
Managing Director
Sd/-
RAJESH PITY
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 2012 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

Place: Hyderabad
Date: 20-09-2012

Sd/-
MANOJ KUMAR AGARWAL
(Partner)

PEETI SECURITIES LIMITED

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

**EIGHTEENTH 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 18th Annual General Meeting of the Company being held on
Tuesday 30th October 2012 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 SECURITIES 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 18th Annual General
Meeting of the Company to be held on Tuesday 30th October 2012 at 10.00 a.m. at Bhagyanagar
Function Hall, L.B.Nagar, Hyderabad.

As Witness my/hand/our hands this day of 2012

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**

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Survey No. 71, Opp. BSNL Office,
Beside MP Hardware Lane, Old Kurnool Road,
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