

**14 th  
ANNUAL REPORT  
2007-2008**



**PEETI SECURITIES LIMITED**

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**BOARD OF DIRECTORS**

Sri Sandeep Peeti	: Chairman & Managing Director
Sri Rajesh Peeti	: Executive Director
S Rajkumar Adukia	: Director (Upto 01.01.08)
Raj Kumar Agrawal	: Director (From 17.01.08)
Sri Ajay Garg	: Director
Sri Rajeev Peeti	: Director

**AUDITORS**

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

**REGISTERED OFFICE & WORKS**

: 221/A, Tivoli Compound  
Behind Lamba Cinema Hall  
Bolton Road,  
Secunderabad – 500 003

**BANKERS**

: The Tamilnad Mercantile Bank Ltd.  
Cheeroy Trade Centre,  
Secunderabad.

**REGISTRARS AND SHARE  
TRANSFER AGENTS**

: CIL Securities Limited  
II Floor, Raghava Ratna Towers,  
Chirag Ali Lane  
Hyderabad

**LISTED AT**

: The Hyderabad Stock Exchange.  
The Bombay Stock Exchange Ltd

**PEETI SECURITIES LIMITED****4****NOTICE**

Notice is hereby given that the **Fourteenth Annual General Meeting** of the members of the Company will be held at **Bhagyanagar Function Hall, L. B. Nagar, Hyderabad** on **Tuesday 30<sup>th</sup> September, 2008 at 10.00 A.M.** to transact the following items of business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2008, 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 fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions contained under section 198, 269, 309 and all other applicable provisions, if any, contained under the Companies Act, 1956 read with Schedule XIII of the said act as amended from time to time and in supersession of the resolution passed in the Board of Directors meeting held on 31<sup>st</sup> January 2005 Mr.Sandeep Peeti be and is hereby re-appointed as the Managing Director of the Company with effect from 01.01.2008 for a period of 5 years and shall be eligible for the following remuneration for the said period of 5 years as approved by the remuneration committee of the Board.

- |                          |   |                         |
|--------------------------|---|-------------------------|
| i) Salary                | : | Rs.7,20,000/-per annum  |
| ii) House Rent Allowance | : | Rs.3,60,000/- per annum |

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions contained under section 198, 269, 309 and all other applicable provisions, if any, contained under the Companies Act, 1956 read with Schedule XIII of the said act as amended from time to time and in supersession of the resolution passed in the Board of Directors meeting held on 30<sup>th</sup> May 2006 Mr.Rajesh Peeti be and is hereby re-appointed as the Executive Director of the Company with effect from 01.01.2008 for a period of 5 years and shall be eligible for the following remuneration for the said period of 5 years as approved by the remuneration committee.

- |                             |   |   |
|-----------------------------|---|---|
| i) Salary                   | : | Rs.5,76,000/- per annum   |
| ii) Rent Free Accommodation | : | Company will provide a rent free Accomodation and the rent will be borne by the company |

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr.Rajkumar Agarawal who was appointed as an Additional Director by the Board of Directors of the Company and

who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs.500/- from a member signifying his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**BY ORDER OF THE BOARD**

Sd/-

Place: Secunderabad  
Date: 02<sup>nd</sup> September, 2008

**SANDEEP PEETI**  
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. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed to this report.
- 3 The Register of Members and the Share Transfer Books will remain closed from 28<sup>th</sup> September 2008 to 30<sup>th</sup> September 2008 (both days inclusive).

**EXPLANATORY STATEMENT**

[Pursuant to Section 173(2) of the Companies Act, 1956]

**Item No.4:**

Mr.Sandeep Peeti was re-appointed as the Managing Director of the Company in the Board Meeting held on 31<sup>st</sup> January 2005. Taking into account his seniority and experience in the field of textile and the inflationary conditions that are prevailing in the country, Board of Directors decided to supersede the resolution passed earlier and to re-appoint him afresh for the period of 5 years with effect from 01<sup>st</sup> January 2008 on terms and conditions as specified in the resolution. As the re-appointment requires the ratification of members in the General Meeting, the aforesaid resolution is commended for your approval.

None of the directors except Mr.Sandeep Peeti is interested in passing the aforesaid resolution.

**Item No.5:**

Mr.Rajesh Peeti was re-appointed as an Executive Director on 30.05.2006. He was actively taking part in day-to-day affairs of the Company. taking into account his untired efforts in the company's activities and taking into account his seniority and the inflationary conditions that are prevailing in the country, Board of Directors decided to supersede the resolution passed earlier and to re-appoint him afresh for the period of 5 years with effect from 01<sup>st</sup> January 2008 on terms and conditions as specified in the resolution. As the appointment requires the ratification of members in the General Meeting, the aforesaid resolution is commended for your approval.

None of the directors except Mr Rajesh Peeti is interested in passing the aforesaid resolution.

**PEETI SECURITIES LIMITED****6**

Item No.6:

Mr.Rajkumar Agrawal was appointed as an Additional Director in the Board Meeting held on 17<sup>th</sup> January 2008 considering his knowledge in the field of textiles. He will hold the office upto the conclusion of the ensuing Annual General Meeting. He has been inducted on the Board of the Company as an independent Director. The resolution as set out in Item No.6 of this notice is accordingly commended for your acceptance consequent to a notice received by the company from a member along with a deposit of 500/- signifying his candidature for the post of director.

None of the directors except Mr.Rajkumar Agrawal is interested in passing the aforesaid resolution.

**BY ORDER OF THE BOARD**

**Sd/-**

Place: Secunderabad

Date: 02<sup>nd</sup> September, 2008

**SANDEEP PEETI**

**MANAGING DIRECTOR**

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

Sri Rajesh Peeti is a graduate in commerce and holding executive directorship right from the inception of the Company and gained vast experience in securities and textile business. Apart from holding executive directorship in the company, he does not hold any other directorships. Presently he is looking after the day-to-day activities of the Company.

Sri Sandeep Peeti is a graduate in commerce and holding Managing Directorship right from the incorporation of the Company. Apart from securities and textile industry, he gained vast experience in Real Estate business. He is currently involved in textile division of the Company.

Sri Rajkumar Agrawal was appointed as an additional director on board of your company consequent to resignation of Sri Rajkumar S Adukia. Presently he 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 in packing business. He was former president of the Rotary Club of India.

Sri Ajay Garg is a commerce graduate and presently engaged in the manufacture of HDPE bags for the past 10 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 **FOURTEENTH ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31<sup>st</sup> March, 2008.

**FINANCIAL HIGHLIGHTS**

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Sales	365.80	319.90
Other Income	1.51	13.17
Profit before depreciation and tax	10.88	15.03
Depreciation	4.34	4.06
Net profit before tax	6.54	10.97
Prior period adjustments	7.97	---
Provision for taxation.	(1.44)	10.94
a.) Current	(2.77)	(2.36)
b.) Deferred Tax.	3.16	0.58
c.) Fringe Benefit Tax	(0.44)	(0.51)
	----- (0.04)	----- (23.99)
Profit after tax	(1.48)	(15.35)
Deficit brought forward from the previous year	(15.35)	(2.28)
Surplus/ (deficit) carried to balance sheet	(17.22)	8.69

**OPERATIONS:**

During the year under review, your company has achieved a total income of Rs. 367.31 lakhs as against previous year's income of Rs. 333.07 Lakhs and recorded a net profit of Rs.6.54 Lakhs for the financial year ending 31<sup>st</sup> March, 2008 when compared to a net Profit of Rs. 10.97 Lakhs during the previous year. During the year under review, management has put in lot of efforts to increase the turnover and they were successful in their efforts and the turn over increased by 45.90 Lakhs. Though there is increase in Turnover, your company could not record more net profit due to inflation that prevailed in the country and the input costs have shoot up in the second half of the financial year.

**DIVIDEND:**

Due to absence of distributable profits for the financial year ending 31<sup>st</sup> March 2008, the Directors 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:

**PEETI SECURITIES LIMITED****8**

- (i) that in the preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2008, 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 31<sup>st</sup> March, 2008 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.

**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 S Adukia resigned on 01.01.2008 from the board of your company due to personal reasons and Mr. Rajkumar Agrawal was inducted on board in his place with effect from 17.01.2008. Sri Rajeev Peeti Director of your company retires by rotation at the ensuing Annual General Meeting. Being eligible for the re-appointment, offers himself for the re-appointment.

**AUDITORS:**

M/s. MKA Associates, Chartered Accountants, Statutory Auditors of your company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**LISTING FEE:**

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

**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**

Place: Secunderabad  
Date: 02<sup>nd</sup> September 2008

**SANDEEP PEETI**  
Managing Director

**RAJESH PEETI**  
Executive 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**

<b>a. Purchased</b>	<b>2007-08</b>	<b>2006-07</b>
Units	25,594	17,505
Total Amount	1,96,778	1,89,501

Rate per unit	6.02	9.20
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**b. Own generation**

<b>i) Through diesel generator</b>	<b>42,795/-</b>	<b>28,284/-</b>
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**ii) Through steam turbine/ generator**

Units	Nil	Nil
Units per litre of fuel oil/gas	Nil	Nil
Cost / unit	Nil	Nil

**2. Coal**

<b>i) Quantity (tons)</b>	<b>Nil</b>	<b>Nil</b>
Total cost	Nil	Nil
Average rate	Nil	Nil

**3. Furnace Oil**

<b>i) Quantity (K. Ltrs)</b>	<b>Nil</b>	<b>Nil</b>
Total Amount	Nil	Nil
Average rate	Nil	Nil

**4. Other's/ Internal peberation**

<b>i) Quantity</b>	<b>Nil</b>	<b>Nil</b>
Total cost	Nil	Nil
Average rate	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**

<b>A. RESEARCH AND DEVELOPMENT (R&amp;D) :</b>	<b>NIL</b>
<b>B. TECHNOLOGY ABSORPTION, ADOPTION : AND INNOVATION</b>	<b>NIL</b>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

<b>1. FOREIGN EXCHANGE EARNINGS :</b>	<b>NIL</b>
<b>2. FOREIGN EXCHANGE OUTGO :</b>	<b>NIL</b>

**PEETI SECURITIES LIMITED****10****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 31<sup>st</sup> March, 2008, the Board of Directors consists of Five Directors comprising of two promoter Executive Directors, three non-executive Directors. Sri Rajkumar S.Adukia resigned from the board of your company with effect from 01.01.2008 and in his place, Sri Rajkumar Agrawal was appointed on 17.01.2008.

Name of the		No. of Other Director	No Meetings		
Rajesh Peeti	Promoter Executive Director	—	7	7	Yes
Sandeep Peeti	Promoter Managing Director	—	7	7	Yes
Rajkumar Agrawal (w.e.f.17.01.2008)	Non-Executive Director	—	7	1	No
Raj Kumar S. Adukia (upto 01.01.2008)	Non-Executive Independent Director	—	7	Nil	No
Rajeev Pittie	Non-Executive Independent Director	—	7	7	No
Ajay Garg	Non-Executive Independent Director	—	7	7	No

**B Date of Board Meetings**

Board of Directors met 7 times during the financial year 2007-2008 on the following dates and the gap between two board meetings did not exceed four months.