

26 May 2015
CMP: Rs. 2.5

Industry: Finance (including NBFCs)

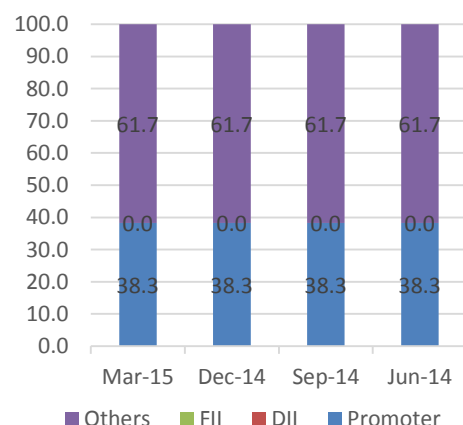
BSE group: B

Promoters

Yogesh Shah and family

Key Data (as on 26 May 15)

BSE	511523
ISIN	INE882C01027
Face Value (Rs.)	1.0
Mkt Cap (Rs. mn)	174.1
Current P/E	negative
Current P/BV	1.4
52 week low-high	1.8-4.5
30 days avg daily trading volume	13285.0
Equity capital (Rs mn)	69.0
Net worth (Rs mn)	127.1

Shareholding Pattern (%)


[Click here for: Initiation Report](#)

[Write to us at: equity.research@outlook.com](mailto:equity.research@outlook.com)

Company business

The company was incorporated as Niyati Leasing Ltd. The main business activity of the company has been investment in shares & share trading. The company came out with a public issue in June 1994 and a rights issue in March 1996. The leasing business faced recovery issues since 1997-98 and hence the promoters decided to diversify business interests and the name of the company was changed to NIYATI INDUSTRIES LTD. The company then entered the business of commissioning of wind turbine generators at Bhogat, Porbander. These generators faced technical difficulties and the business was stopped. Later NIL wanted to take over a bulk drug manufacturing unit at Indore, but was unable to do so because of lack of funds. NIL is also trading in textiles, electrical items and chemicals through its group company Niyati International (no further details provided by the company in its accounts). Jayant and Yogesh Shah and various members of the Shah family are on the board of the company.

Recent developments

The company changed its name to Veerhealth Care Ltd (VCL) in September 2013. In FY13 the company issued equity of Rs 72 mn (Rs 32 mn share capital and Rs 40 mn share premium, at Rs 2.25 per share) on a preferential basis. With the capital infusion the company started trading in pharma products and has started the production of ayurvedic medicines. VCL is setting up manufacturing activities at Changodar, Ahmedabad for manufacturing ayurvedic medicines. The factory premises are under construction and will include the manufacture of tablets, liquids, ointments, powders, oils, capsules & cosmetics. Production has intermittently started in the end of FY14.

Financials

Particulars (Rs in mn)	Jan '15 to Mar '15	Jan '14 to Mar '14	% Change ¹	Oct '14 to Dec '14	% Change ²
Total income	6.3	19.5	(67.7%)	4.7	34.0%
Total operating expenditure	5.3	22.1	(75.9%)	3.4	56.8%
EBIDTA	1.0	(2.6)	-	1.3	(25.4%)
EBIDTA margin	15.4%	(13.3%)	-	27.7%	-
PBT	0.2	(2.6)	-	0.8	(73.8%)
PAT	(0.8)	(2.6)	-	0.8	-
PAT margin	(12.7%)	(13.3%)	-	17.0%	-
Cash accruals	0.7	(2.6)	-	1.3	(48.5%)
EPS	(0.0)	-	-	0.0	(200.0%)

¹ compared to corresponding quarter in the previous year

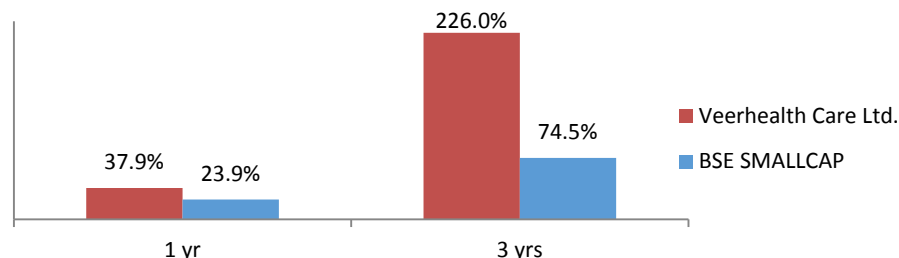
² sequential comparisons

Source: Moneycontrol, Company

Financial Performance

Total income for QE Mar 15 was down 68% to Rs 6.3 mn from QE Mar 14 but the company's losses were lower at Rs (0.8) mn from Rs (2.6) mn in the QE Mar 14. The company has started manufacturing on a very small scale and largely continues its trading activities in ayurvedic products. In November 2014 VCL announced the introduction of MALTREX V TABLET: a remedy for Dengue & Malaria.

Share Price Performance



Financials

P&L	FY12	FY13	FY14
Total income	17.1	31.6	35.3
EBIDTA	2.1	0.2	0.7
EBIDTA margin (%)	12.3	0.6	2.0
Depreciation	-	0.2	0.2
EBIT	2.1	-	0.5
Interest	-	-	-
PBT	2.1	-	0.5
Tax	0.6	-	0.1
PAT	1.5	0.1	0.3
PAT margin (%)	8.8	0.3	0.8
Dividend	-	-	-
Dividend Payout (%)	-	-	-

Balance Sheet	FY12	FY13	FY14
Share Capital	37.0	69.0	69.3
Share Application Money	-	-	-
Reserves & Surplus	18.5	58.6	58.1
Shareholders' Funds	55.5	127.6	127.4
Borrowings	-	-	-
Net deferred tax liability	-	-	-
Current Liabilities	0.1	17.2	1.7
Total Liabilities	55.6	144.8	129.1
Net fixed assets	1.6	1.6	49.0
Investments	-	-	-
Loans and Advances	50.4	116.9	78.5
Current Assets	3.6	26.3	1.7
Total Assets	55.6	144.8	129.2

Cash Flow (Rs.mn)	FY12	FY13	FY14
PBT	2.1	0.1	0.5
CF from Operation	0.4	-73.6	38.8
CF from Investment	0.8	75.9	-42.6
CF from Financing	-	-	-
Inc/(dec) Cash	1.1	2.3	-3.8
Closing Balance	1.4	3.7	(0.1)

Disclaimer

The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Our company shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation which may affect their investment in the securities of companies referred to in this document (including the merits and risks involved). The discussions or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information.