

NIYATI INDUSTRIES LIMITED

Eighteenth ANNUAL REPORT *2009 - 2010*

*Regd. Off: 6 New Nandu Industrial Estate, Mahakali Caves Road, Andheri
East, Mumbai - 400093*

NIYATI INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Jayant S Shah	Director
Mr. Ravindra V Joshi	Director
Mr. Arvind M Shah	Director
Mr. Jigar J Shah	Director
Mr. Akshay B Shah	Director

AUDITORS

NAME	OFFICE
M/s. JAYESH R. SHAH & CO. Chartered Accountants	B-2, Swagat, Ciba Society, Amrut Nagar, Ghatkopar (W), Mumbai -400086.

REGISTERED OFFICE

6, New Nandu Industrial Estate Mahakali Caves Road, Andheri East, Mumbai - 400093
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NOTICE

NOTICE Is hereby given that the Eighteen Annual General Meeting of the Members of M/s. NIYATI INDUSTRIES LIMITED will be held at the Registered Office of the Company at Gala No.6, New Nandu Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400093 on Saturday the 25th September, 2010 at 11.00 p.m. to transact the Following Business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Profit & Loss Account for the year Ended 31st March 2010 , Balance Sheet as at that date along with the Report Of Directors' and Auditors' thereon.
- 2) To Appoint a Director in place of Mr. Ravindra V. Joshi who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint M/s. Jayesh R. Shah & Co. Chartered Accountants, (FRN 104182W) retiring Auditors,, being eligible, offers for re-appointment and to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution, Resolved that Mr. Akshay B. Shah who was appointed as an Additional Director by the Board of Directors of the company on 7th July, 2009 pursuant to article 86 of the Article of Association of the Company and u/s260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing pursuant to the provision of section 257 of the Companies Act of 1956 be and he is hereby appointed as a Director of the Company liable to retire by rotation.
- 5) To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution, Resolved that Mr. Jigar J. Shah who was appointed as an Additional Director by the Board of Directors of the company on 22nd January, 2010 pursuant to article 86 of the Article of Association of the Company and u/s260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing pursuant to the provision of section 257 of the Companies Act of 1956 be and he is hereby appointed as a Director of the Company liable to retire by rotation.
- 6) To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution, Resolved that Mr. Jayant S. Shah who was appointed as an Additional Director by the Board of Directors of the company on 22nd January, 2010 pursuant to article 86 of the Article of Association of the Company and u/s260 of the Companies Act 1956 and in respect of whom the company has received a notice in writing pursuant to the provision of section 257 of the Companies Act of 1956 be and he is hereby appointed as a Director of the Company liable to retire by rotation.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4 TO 6

At The Meeting of the Board of Directors of the Company held on 07/07/2009 Mr. Akshay Bachubhai Shah was appointed as an Additional Director to the Board of Directors of the Company, and at the Meeting held on 22/01/2010 Mr. Jayant S. Shah & Mr. Jigar J. Shah were appointed as additional Directors.

By virtue of the provision of section 260 of the Companies Act, 1956 Article 86 of the Articles Association of the Company, they holds office as an Additional Directors up to the date of ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from members of the Company along with required deposit, proposing the candidature of Mr. Akshay B. Shah, Mr. Jayant S. Shah & Mr. Jigar J. Shah of the office of Director under the provisions of section 257 of the Companies Act, 1956. The profile of the Director is given hereunder. Your Directors recommend the resolution as set out in Item No.4 to 6 of the notice for your approval.

None of the Directors of the Company except of Mr. Akshay B. Shah, Mr. Jayant S. Shah & Mr. Jigar J. Shah deemed to be interested in the above resolution to the extent of their appointment as Directors of the Company.

Notes:

- 1) A member is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed need not be a member of the company.
- 2) The Registrar of Members and the Share Transfer Books of the company will remain closed on 23rd September to 25th September, 2010 (both days inclusive).
- 3) The form of proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- 4) The members intending to require information about accounts to be explained in the meeting are requested to inform the company in writing at least seven days in advance of the meeting.

Members are requested to please bring their copies of Annual Reports to the meeting.

Place :- Mumbai
Mumbai: 24th August, 2010

By order of the Board of Directors
For Niyati Industries Limited

SD/-
Chairman

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in submitting the Eighteenth Annual Report along with the Audited Balance Sheet and Profit and Loss A/c for the year ended 31st March, 2010.

FINANCIAL RESULTS (In Thousands)

Particulars	31 st March 2010 (Amount in "000")	31 st March 2009 (Amount in "000")
Turnover	66776	587
Net Profit Before Tax	1509	144
Less: Provision For Tax	155	34
Profit After Tax	1353	110
Add: Balance In Profit & Loss c/fd	1903	1793
Add: Transfer From General Reserve	NIL	NIL
<u>APPROPRIATIONS</u>		
Prior Period Adjustment	NIL	NIL
General Reserve	NIL	NIL
Provisions Written Back	NIL	NIL
Balance C/F.	3257	1903

DIVIDEND

In view of losses during the year, the directors do not recommend any dividend on equity shares for the year ended on 31.3.2010.

OPERATION

The major operations of the company are in the field of Share Investment & Share Trading. The depression and liquidity crunch in capital market affected company's operations very badly, which has resulted in very low profitability.

Your Company has settled the accounts with Gujarat State Financial Corporation and started paying their dues in installments.

The Company wanted to start business in the field of infrastructure but it has dropped its plan for the time being because it needs a huge investments. On the past, leasing business front, the Company has continued its efforts with its legal proceedings for recovery of its dues, hence it can not be written off. Of the own assets, Wind Turbine Generator, the Company has almost won the case against the insurance company for its claim against destroyed wind turbine machineries, the amount is yet to be worked out but the case is in favour of the Company. the Company can not write off the same as the legal proceedings are going on against the Insurance Company. The adjustment shall be made in the books of accounts on finalization of the legal suit which is in the last stage.

CORPORATE GOVERNANCE

In order to enhance customer satisfaction and stakeholder value, your Company continues to benchmark its Corporate Governance practices that are best.

Your Company has complied with the mandatory requirements of clause 49 of the listing agreement entered into with the Stock Exchanges regarding the Corporate Governance for the Financial Year 2009 - 10. The compliance report along with Auditors Certificate is provided in the Corporate Governance Report annexed to this report.

DIRECTORS

Mr. Ravindra V. Joshi retire by rotation but eligible, offer themselves for reappointment. Mr. Akshay B. Shah. Mr. Jayant S. Shah & Mr. Jigar J. Shah were appointed as an Additional Directors. By virtue of the provision of section 260 of the Companies Act, 1956 Article 86 of the Articles Association of the Company, they hold office as an Additional Directors up to the date of ensuing Annual General Meeting of the Company.

The Company has received notices in writing from members of the Company along with required deposit, proposing the candidature of Mr. Akshay B. Shah, Mr. Jayant S. Shah & Mr. Jigar J. Shah of the office of Director under the provisions of section 257 of the Companies Act, 1956.

Mr. Yogesh M. Shah, Dr. D.B. Shah & Mr. Prakash C. Shah resigned during the year. Board takes on record its sincere appreciation for the services rendered by them during their tenure as Directors of the Company.

AUDITORS

M/s. Jayesh R. Shah & Co., Chartered Accountants, retires from the office of auditor of the Company and being eligible, offer themselves for reappointment.

DEMATERIALISATION

As the Members are aware your company shares are tradable compulsorily in electronic format your company has established connectivity with the depositories with National Securities Depository Limited (NSDL), and Central Depository Services (India) Limited (CDSL) . In view of enormous advantages offered by the Depository system, Members are requested to avail the facility of dematerializations of the Company's Shares on depositories as aforesaid.

FUTURE PROSPECTS

The Company is presently engaged in business of Trading, investments and dealing in securities. In the last year it had diversified into the business of infrastructure development, but it requires a huge finance and Company could not get the required finance.

PARTICULAR REQUIRED TO BE FURNISHED BY THE COMPANIES (DISCLOSURE OF PARTICULAR IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

1) Parts A and B pertaining to conservation and technology absorption	N.A
2) Foreign exchange earning & outgoing	
A) Foreign exchange earnings	Rs. NIL
B) Foreign exchange out-goings	Rs. NIL

PARTICULARS OF EMPLOYEES

Information as per section 217(2) of the Companies Act, 1956 read with Companies (particular of employees) Rules, 1975, is not applicable as none of the employees have earned an aggregate remuneration in excess of the limit specified in the section.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO NEW SEC.217 (2AA) OF THE COMPANIES ACT 1956

As required under the added sec.217 (2AA), the Directors state as under.

- 1) That in the preparation of the annual accounts, the applicable accounting standards have been followed
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the year.
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Annual Accounts have been prepared on a going concern basis

ACKNOWLEDGEMENTS: The Directors wish to place on record their appreciation of the co-operation and assistance received from the company's shareholders, executive and staff in helping the company to achieve its goals.

Place :- Mumbai
Mumbai: 24th August, 2010

By order of the Board of Directors
For Niyati Industries Limited

SD/-
Chairman

CORPORATE GOVERNANCE (ANNEXURE TO DIRECTORS' REPORT)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an ongoing process that ensures that the Company displays the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics in its dealings. Good Corporate Governance is a critical doctrine to the global economic system, enabling the business to not only effectively and efficiently achieve its corporate objectives but also develop a structure and methodology to sustain its survival in a globally competitive environment. Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all interactions with its Shareholders, Depositors, and Debenture holders, Employees, Creditors, Debtors and Regulatory Authorities.

BOARD OF DIRECTORS

Niyati Industries Limited's Board comprises of Five Directors and all are non Executive Directors

A brief profile of the Directors is given below:

Mr. Jayant S. Shah (56 years) is a Director of the company & engaged in the business since 1980

Mr. Ravindra V. Joshi (70 years) is fellow Member of the Institute of Company Secretaries of India since 1979 and a practicing Company Secretary. He is also senior corporate adviser to many public Limited Companies in India

Mr. Akshay B. Shah (53 years) Director of the Company & engaged in the business since 1985.

Mr. Arvind M. Shah (50 years) is a tax consultant.

Mr. Jigar J. Shah (25 years) is B.com, MBA in finance

BOARD MEETINGS

Total 6 board meeting were held during the financial year ended 31st March, 2010. i.e. on 03/06/2009,07/07/2009, 31/07/2009, 30/10/2009, 22/01/2010, 30/01/2010, .

Attendance of each Director at the Board Meetings and the last Annual General Meeting

Directors	No. Of Board Meetings Attended	Whether Attended Last AGM
Mr. Yogesh M. Shah*	5	Yes
Mr. Ravindra Joshi	6	Yes
Mr. Arvind M. Shah	6	Yes
Mr. Prakash C. Shah*	3	No
Mr. Akshay B. Shah (appointed w.e.f. 07/07/2009)	4	No
Mr. Jayant S. Shah (appointed w.e.f. 22/01/2010)	1	No
Mr. Jigar J. Shah (appointed w.e.f. from 22/01/2010)	1	No

*Resigned during the year.

COMMITTEES OF THE BOARD / AUDIT COMMITTEE

The Company has constituted an Audit Committee which is comprised of the Non-Executive Directors majority of them being Independent. The members of the audit committee are Mr. Ravindra Joshi, Mr. Arvind M. Shah & Mr. Akshay B. Shah. Terms of reference to the Audit Committee is primarily to Supervise the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, to appoint and fix the remuneration of internal auditors, to review the internal and external audit reports, the adequacy of internal control systems and to review the Company's financial and risk management policies.

Three (3) such Meetings of the committee were held during the period under review. The meetings were held on 03/06/2009, 30/10/2009, and 30/01/2010

Meetings and Attendance of members of the Audit Committee during the Financial Year 2009 - 2010

Directors	No. Of Meetings Attended
Mr. Ravindra Joshi	3
Mr. Arvind M. Shah	3
Mr. Akshay B. shah	2
Mr. Prakash .C. Shah*	2

*Resigned during the year.

REMUNERATION COMMITTEE

The Board of Directors itself comprised the remuneration committee and decides and reviews the Managerial Remuneration.

SHAREHOLDER GRIEVANCE COMMITTEE

The Board has constituted a committee comprising of Two Directors Sri. Ravindra Joshi and Sri Arvind M. Shah to look in to the grievance of shareholders and investor

Analysis of Shareholders Correspondence during the year under consideration:

Nature Of	Received	Redressed
Correspondence	Nil	Nil
Change of Address	Nil	Nil
Demat Request	Nil	Nil
Annual Report	Nil	Nil

DETAILS OF THE LAST THREE GENERAL MEETINGS:

MEETING	DATE AND TIME OF A. G. M.	PLACE	SPECIAL RESOLUTION PASSED
15th AGM	26-06-2007 at 10.00AM	Regd. Office	No
16th AGM	21-8-2008 at 2.00 pm	Regd. Office	Yes. U/s. 372A for Investments
17th AGM	30-6-2009 at 2.00 pm	Regd. Office	No

DISCLOSURE:

The details of the transaction with related parties are given in the Notes to the accounts of Auditors Report. The transaction is in the natural course of the business and is not in conflict with the interest of the Company.

There were no instance of non compliance of any matter relating to the Capital Market and no penalties were imposed on the company by Stock Exchanges or Securities & Exchange Board of India or any other Statutory Authority on any matter relating to capital Markets.

INTERNAL CONTROLS:

Management feels that the internal controls in place are sufficient considering the complexity, size and nature of operation of the Company.

MEANS OF COMMUNICATION

The Board of Directors of the company approves and takes on record the Un-audited/Audited financial results in the prescribed proforma of the Stock Exchange on a quarterly basis. The results are announced to all the Stock Exchanges where the shares of the Company are listed,

GENERAL SHAREHOLDERS INFORMATION

18TH ANNUAL GENERAL MEETING

Date & Time	Saturday the 25th September, 2010 at 11:00 A.M
Venue	6, New Nandu Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400093
Date of Book Closure	23/09/2010 To 25/09/2010.

LISTING ON STOCK EXCHANGE:

THE STOCK EXCHANGE, MUMBAI, (Stock Code: 503657), Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400023. Ph: 022-2272 1234 Fax: 022-2272 2082

LISTING FEE

The Company has paid Listing Fees to Stock Exchanges where the shares are listed within due date. Your Company is strictly observing all the clauses of the Listing agreement entered into with the Stock Exchanges and there are no investor complaints pending against the Company.

ADDRESS FOR CORRESPONDENCE: The Company has appointed Share Transfer Agents M/s. Purva Sharegistry (India) Pvt. Ltd. as the Share Transfer Agents of the Company

M/s. Purva Sharegistry (India) Pvt. Ltd, Shiv Shakti Indl. Estate, Gala No. 9, J. R. Boricha Marg, Sitaram Mill Compound, Mumbai - 400011 Ph: 022-23010771 / 23016761

Shareholders are requested to address their correspondence relating to Share Transfer, Transmission, Demat, Remat, Change of Address, Change of Bank Mandate etc.

DEMATERIALIZATION OF SHARES:

Over 79% of the Company's paid-up equity share capital has been Dematerialized upto 31st March, 2010. Trading in Equity Shares of the Company is permitted only in Dematerialization form as per notification issued by the Securities Exchange Board of India (SEBI)

NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL)

4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Tel.: 2499 4200 Fax: 2497 2993

And

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL)

Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, and Mumbai - 400001.Tel. 22723333 Fax: 22722072

Shareholders can approach the Depository Participants of the above Depositories for Dematerialization for their Shares.

DETAILS OF THE DEMATERIALIZATION OF SHARES COMPLETED UPTO 31ST MARCH, 2010**NUMBER OF SHARES DEMATERIALIZED**

NSDL	CDSL	TOTAL
17,574,829	12,385,571	29,960,400

SHAREHOLDING PATTERN

Share holding pattern of the Company as on 31st March, 2010 is as follows

CATEGORY	PHYSICAL		ELECTRONIC		TOTAL	
	No. of Shares	%	No. Of Shares	%	No. of Shares	%
A. Promoters' holding						
- Indian Promoters	2,228,750	5.93	5,641,577	15.01	7,870,327	20.94
- NRI Promoters						
- Bodies Corporate	436,250	1.16	50,950	0.14	487,200	1.30
B. Non-Promoters						
Holding						
Institutional Investors						
Banks, Fls		-	2,420,000	6.44	2,420,000	6.44
Corporate Bodies	17,508	0.05	2,216,000	5.90	2,233,508	5.94
Indian Public	4,935,850	13.13	19,511,923	51.92	24,447,773	65.06
NRI/OCBs	-		119,942	0.32	119,942	0.32
GRAND TOTAL	7,618,358	20	29,960,392	80	37,578,750	100

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES (AS ON 31ST MARCH, 2010)

SHARE HOLDING OF NOMINAL VALUE OF		NUMBER	% TO TOTAL	IN RS.	% TO TOTAL	
(1)	(2)	(3)	(4)	(5)	(6)	
UPTO	5,000	3122	75.98	6,125,403	16.30	
	5,001	10,000	509	12.39	4,361,606	11.61
	100,001	20,000	245	5.96	3,807,024	10.13
	20,001	30,000	94	2.29	2,393,509	6.37
	30,001	40,000	40	0.97	1,447,996	3.85
	40,001	50,000	25	0.61	1,193,879	3.18
	50,001	100,000	34	0.83	2307461	6.14
	100,001	AND ABOVE	40	0.97	15941872	42.42
TOTAL		4109	100.00	37,578,750	100.00	

STOCK MARKET DATA

Monthly closing high and low quotation of shares traded on the Stock Exchange, Mumbai (BSE) for the year 2009-2010

Month	High (Rs.)	Low (Rs.)
April	0.54	0.33
May	0.89	0.56
June	1.30	0.80
July	1.41	0.91
August	1.15	0.70
September	1.05	0.79
October	1.20	0.78
November	1.20	0.85
December	1.22	0.73
January	1.11	0.74
February	0.98	0.65
March	0.80	0.60

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

M/s. Niyati Industries Limited,

We have examined the compliance of conditions of Corporate Governance of M/s. Niyati Industries Limited, for the year ending 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was 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 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 are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee. 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 Jayesh R. Shah & Co
Chartered Accountants
Firm Reg. No 104182W**

SD/-

**Jayesh Shah
Proprietor
Membership No. 033864**

Place: Mumbai

Date: 24th August 2010

AUDITORS REPORT

To,
The Members of
NIYATI INDUSTRIES LIMITED

We have audited the Balance Sheet of **NIYATI INDUSTRIES LIMITED** as on 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management our responsibility is to express our opinion on these financial statements based on our audit:

We 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 examination, on a test basis, evidence supporting the amounts and disclosures 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with provision of Section 227 of the Companies Act, 1956, we report as under:

- 1) We have obtained all the information & explanations, which to the best of our Knowledge & belief were necessary for the purpose of our audit.
- 2) In our opinion, proper books of accounts as required by the law, have been kept by the company so far as it appears from our examination of the books.
- 3) The Balance Sheet & Profit & Loss Account dealt by this report are in agreement with the books of account.
- 4) *In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report, comply with the accounting standards referred in sub section 3 (C) of section 211 of the Companies Act, 1956, to the extent applicable, Subject to the following : Note No.8 of Notes to the accounts regarding non compliance of Accounting Standard-15 " Accounting for retirement benefit in the financial statements of employer" in respect of Gratuity accounting on cash basis. Note No.9 of Notes to the accounts regarding non compliance of Accounting Standard-28 "Impairment of Assets"*
- 5) On the basis of the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the Company, i.e. Niyati Industries Ltd. As on 31st March, 2010 is disqualified for appointment as a director in the aforementioned company in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956 on the said date.
- 6) In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with the notes and Schedule thereon give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.
 - a. In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - b. In the case of Profit & Loss accounts, of the profit for the year ended on that date.
 - c. In the case of cash flow statement, of the cash flows for the year ended on that date.
- 7) As required by the Companies' (Auditor's Report) Order, 2003 and according to the information and explanation given to us during the course of the audit and on the basis of such checks as were considered appropriate, We further report that:
 - (i) (a) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets
 - (b) As explained to us by the management, it is not possible to verify the existence of the leased assets as every one has stopped paying lease rent since many years and legal proceedings are initiated by the Company against them. As regards own assets, the Wind Turbine Generator, which was installed at Bhatiya, Dist. Porbandar, Gujarat, which had fell down due to mechanical fault. The machine was kept at the site only to claim the Insurance. The claim is still pending in the court and the management has not done any verification of the machine at the open site whether it is lying there or not. As explained to us, it is not possible to keep a track at the site as it is situated at very remote place. Therefore it is not possible for the management to say about the discrepancies if any.
 - (c) During the year, the Company has not disposed off any substantial part of fixed assets.
 - (ii) (a) As per the information furnished, the inventories have been physically verified by the management during the year at reasonable intervals, having regard to the nature of stocks, the frequency of the physical verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business;
 - (c) The Company has maintained proper records of inventories. In our opinion, no discrepancies have been noticed on physical verification of inventories as compared to book records.

(iii) (a) As per the information furnished, the Company has not granted or taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956;

(b) The rate of interest and other terms and conditions in respect of the unsecured loans given by the Company to its employees and others, are in our opinion, prima facie not prejudicial to the interest of the Company;

(c) In respect of such loans given by the Company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, where applicable;

(d) In respect of such loans given by the Company, there are no overdue amounts more than Rs. 1, 00,000/-.

(iv) In our opinion and according to the information and explanation 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 inventories, fixed assets and for sale of goods & services.

Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

(v) (a) Based on the procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions made in pursuance of contracts or arrangements, that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956 have been recorded in the register ;

(b) In our opinion and according to the information and explanation given to us, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.5, 00,000/- or more in respect of each party.

(vi) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Hence, Clause (vi) of the order is not applicable.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

(viii) The Company is not covered under Section 209(1)(d) of the Companies Act, 1956, hence not required to maintain cost records.

(ix) (a) According to the information and explanation given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance Fund, Income-tax, Sales-tax, wealth tax, service tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the records of the Company and the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty, Sales Tax, Excise Duty, PF, ESIC and any other statutory dues which have remained outstanding as at 31st March, 2010 for a period of more than six months from the date they become payable.

(b) According to the records of the Company and information and explanation given to us, the dues of Sales-tax, Custom Duty, Excise Duty, Income tax, wealth tax, cess which have not deposited, on account of disputes and the forum where the dispute is pending are as under.

The following matters of Income Tax are pending for various reasons.

A.Y. 1997-98 As per Appeal order disallowance of Rs. 19, 18,043/-

A.Y. 1999-2000 As per appeal order disallowance of Rs. 2, 83,770/-

A.Y. 2000-01 As per appeal order disallowance of Rs. 6, 94,992/-

A.y. 2001-02 As per order disallowance of Rs. 2, 90,405/-

A.Y. 2003-04 As per order disallowance of Rs. 6, 80,000/-

The only demand raised by the Income Tax department is for A.Y. 2000-01 of Rs.28,99,780/- for which effect of appeal order is not given by the department. For all other years disallowances are adjusted against c/fd. Losses. There are many claims of TDS also are pending and hence no liabilities are expected. The Company has asked for the rectification for all the years giving actual effects of all orders and TDS claims. The Company had carried forward losses hence do not expect any further liability on account of Income Tax.

(x) The accumulated losses of the Company on account of unabsorbed depreciation as per Income Tax are Rs.17, 49,137/-

(xi) Based on our audit procedures and the information and explanations given by the management, Company has defaulted in repayment of its dues to Gujarat State Financial Corporation for Rs. 64,72,258/-, the management explained that the Company has made a settlement with GSFC and are paying the installments in time as agreed in the settlement scheme.

(xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

(xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.

(xiv) The Company has maintained proper records of transactions in respect of dealing and trading in shares, securities, debentures and other investments and timely entries have generally been made therein. All shares, debentures, and other securities have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer form.

(xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

(xvi) The Company has not obtained any term loan during the year.

(xvii) On the basis of our examination of the Cash Flow statement, the fund raised on short term basis have not been used for long term investments,. The Company has not raised long term funds during the year and hence, the use of such funds for short-term investments does not arise.

(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 during the year.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) On the basis of our examination and 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 Jayesh R. Shah & Co
Chartered Accountants
Firm Reg. No. 104182W**

SD/-

**Jayesh Shah
Proprietor
Membership No. 033864**

Place: Mumbai

Date : 24th August, 2010.

NIYATI INDUSTRIES LIMITED			
BALANCE SHEET AS AT 31ST MARCH,2010			
		As At 31st March,2010	As At 31st March,2009
		<u>Rs.</u>	<u>Rs.</u>
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Capital	1	36,987,835	36,987,835
Reserves & Surplus	2	29,352,689	27,999,017
LOAN FUND			
Secured Loans	3	6,472,258	10,238,400
Unsecured Loans	4	2,789,825	1,789,825
	TOTAL	75,602,607	77,015,077
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	26,125,288	26,125,288
Less : Depreciation		4,808,083	4,680,878
		21,317,205	21,444,410
INVESTMENTS			
	6	4,342,958	5,997,025
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	540,104	12,040,000
Sundry Debtors	8	-	36,342
Cash & Bank Balances	9	6,275,039	2,062,891
Loans & Advances	10	27,335,797	33,402,675
Other Current Assets	11	16,310,170	2,174,430
		50,461,110	49,716,338
Less:-			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	12	518,666	142,696
Net Current Assets		49,942,444	49,573,642
	TOTAL	75,602,607	77,015,077
Significant Accounting Policies and Notes to the Accounts	17		
For M/s. Jayesh R. Shah & Co.		For NIYATI INDUSTRIES LIMITED	
Chartered Accountants		SD/-	SD/-
Firm Reg. No: 104182W		(Jayant S. Shah)	(Arvind M. Shah)
SD/-		Director	Director
(Jayesh Shah)			
Proprietor		SD/-	
M.No. 033864		(Jigar J. Shah)	
Place : Mumbai		Director	
Date : 24th August, 2010			

NIYATI INDUSTRIES LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010			
	Sch. No.	31st MARCH,2010 Rs.	31st MARCH,2009 Rs.
<u>INCOME</u>			
Sales - Shares		48,037,555	-
- Trading		3,382,330	-
- Land		12,150,000	
Other Income	13	3,206,468	586,809
Increase / (Decrease) in stock	14	(11,499,895)	12,040,000
		55,276,458	12,626,809
<u>EXPENDITURE</u>			
Purchases - Shares		35,041,918	
- Trading		3,267,327	12,040,000
Employess Remuneration & Allowances	15	333,070	80,650
Rent		1,509,294	
<u>Depreciation</u>			
On Leased Assets		-	-
On Owned Assets		127,205	127,205
Interest		12,304,607	-
Other Expenses	16	1,184,424	234,900
		53,767,845	12,482,755
Profit Before Taxation		1,508,613	144,054
Provision For Taxation		155,387	32,000
Provision For Fringe Benefit Tax		-	1,876
Profit after Tax		1,353,226	110,178
Balance B/f.		1,903,293	1,793,038
Transfer from General Reserve (Available for appropriation)		-	-
		3,256,519	1,903,216
<u>APPROPRIATION</u>			
Prior Period Adjustment		(446)	(77)
Transfer to General Reserve		-	-
Balance Carried Forward		3,256,965	1,903,293
		3,256,965	1,903,293
Significant Accounting Policies and Notes to the Accounts	17		
For M/s. Jayesh R. Shah & Co. Chartered Accountants Firm Reg. No: 104182W SD/- (Jayesh Shah) Proprietor M.No. 033864		For NIYATI INDUSTRIES LIMITED SD/- (Jayant S. Shah) Director SD/- (Jigar J. Shah) Director	
Place : Mumbai Date : 24th August, 2010			

NIYATI INDUSTRIES LTD.
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH,2010

	Year Ended at 31/03/2010	Year Ended at 31/03/2009
<u>SCHEDULE 1.</u>		
<u>SHARE CAPITAL :</u>		
<u>Authorised Capital</u>		
1,00,00,000 Equity Shares of Rs.10/- each.	100,000,000	100,000,000
<u>Issued, Subscribed and Paid-Up</u>		
3,75,78,750 Equity Shares of Rs. 1/- each (Pr.yr.3,75,78,750 Equity shares of Rs. 1/- each)	37,578,750	37,578,750
Less : Calls-in-arrears	590,915	590,915
	36,987,835	36,987,835
<u>SCHEDULE 2</u>		
<u>RESERVES & SURPLUS:</u>		
<u>GENERA RESERVE</u>		
Opening Balance	7,306,349	7,306,350
Trf. From P & L A/C.	-	-
	7,306,349	7,306,349
<u>SHARE PREMIUM A/c.</u>		
Share Premium	18,789,375	18,789,375
<u>PROFIT & LOSS A/C.</u>		
Balance carried forward	3,256,965	1,903,293
	29,352,689	27,999,017
<u>SCHEDULE 3</u>		
<u>SECURED LOANS</u>		
Gujarat State Financial Corporation (Secured by Hypothecation of Plant & Machinery)	6,472,258	10,238,400
	6,472,258	10,238,400
<u>SCHEDULE : 4</u>		
<u>UNSECURED LOANS</u>		
From Lessees / Hires	1,789,825	1,789,825
Others	1,000,000	-
	2,789,825	1,789,825

NIYATI INDUSTRIES LIMITED							
FIXED ASSETS :							
As Per Income Tax Act, 1961.							
Annexure - 2 to Tax Audit Report							
SR.	PARTICULARS	GROSS BLOCK			DEPRICIATION		NET BLOCK
NO.		GROSS BLOCK AS AT 1.4.2009	ADD/DEDU DURING THE YR.	GROSS BLOCK AS AT 31.3.2010	RATE	PROVISION DURING THE YR.	TOTAL AS ON 31.3.2010
1	FURNITURES & FIXTURES	25,856	0	25,856	10	2,586	23,270
2	COMPUTER	710		710	60	426	284
3	AIR CONDITIONER	15,188	0	15,188	10	1,519	13,669
4	EPBAX	21,068	0	21,068	10	2,107	18,961
5	FAX MACHINE	4,935	0	4,935	10	494	4,442
6	TYPEWRITER	1,257	0	1,257	10	126	1,131
7	VEHICLES OWNED	13,983	0	13,983	15	2,097	11,886
		82,997	0	82,997	0	9,354	73,643

NIYATI INDUSTRIES LTD.

SCHEDULE 6

INVESTMENT : AT COST (Long Term) (Non Trade) (Quoted)

No. of Shares		Particulars	Name of the Company	Value of Shares	
31.03.2010	31.03.2009			31.03.2010	31.03.2009
		QUOTED EQUITY SHARES			
0	4700	Equity Shares of Rs.10/- each	Moira Re Rolling Ltd.	0	48650
10000	200	Equity Shares of Rs.10/- each	Hindustan Organics Ltd	10000	10000
0	100	Equity Shares of Rs.10/- each	Kongrar Textiles Ltd	0	4500
0	100	Equity Shares of Rs.10/- each	Century International Ltd.	0	1000
0	1100	Equity Shares of Rs.10/- each	Vijayshree Capital & Finance Ltd.	0	11000
0	200	Equity Shares of Rs.10/- each	C.V. Steel Ltd.	0	2000
0	2100	Equity Shares of Rs.10/- each	Maya Rasayan Ltd.	0	21000
0	5000	Equity Shares of Rs.10/- each	Moulik Finance Reorts Ltd.	0	50000
0	200	Equity Shares of Rs.10/- each	M.F.L. Stock broking Ltd.	0	2000
0	1100	Equity Shares of Rs.65/- each	H.B. Portfolio	0	71500
0	1300	Equity Shares of Rs.10/- each	Suvarna Sapparel & Fashion Ltd.	0	22000
0	50	Equity Shares of Rs.10/- each	Viamedia Ltd.	0	500
0	36845	Equity Shares of Rs.10/- each	Veer Energy & Infrastructure Ltd.	0	4651875
0	440000	Equity Shares of Rs.10/- each	Anuvin Industries Ltd.	0	1100000
			TOTAL (A)	10000	5996025
		DEBENTURES & OTHERS			
25	25	Debenture of Rs. 40/- each	Via Media Ltd.	0	1000
4327.164	0	Reliance daily dividend Plan	Reliance Mutual Fund	4332958	0
			TOTAL (B)	4332958	1000
			TOTAL INVESTMENT	4342958	5997025

The Market Value of Investment is Rs. 4340388/-

NIYATI INDUSTRIES LIMITED		
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH,2010		
	AS ON 31.03.10	AS ON 31.03.09
<u>SCHEDULE : 7</u>		
<u>INVENTORIES</u>		
Equity	540,104	-
Land at Shivlakha		12,040,000
	540,104	12,040,000
(Valued at Lower of Cost or Net Realisable Value, as certified by the Directors)		
<u>SCHEDULE : 8</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured considered goods)		
Debts outstanding for a period exceeding 6 months	-	36,342
Other Debts	-	-
	-	36,342
<u>SCHEDULE : 9</u>		
<u>CASH & BANK BALANCES</u>		
Cash in Hand	4,127	374,128
<u>Balances with Scheduled Banks</u>		
On Current Account	6,270,912	1,688,765
	6,275,039	2,062,893
<u>SCHEDULE : 10</u>		
<u>LOANS & ADVANCES</u>		
(Unsecured Considered Good.)		
Advances recoverable in cash or in kind for the value to be received.	27,335,797	33,402,675
	27,335,797	33,402,675
<u>SCHEDULE : 11</u>		
<u>Other Current Assets</u>		
Deposits	22,114	1,102,114
Intercorporate Deposits	14,904,908	-
Advance Tax & TDS	1,383,148	1,072,316
	16,310,170	2,174,430
<u>SCHEDULE : 12</u>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	323,104	106,795
Provision for MAT	155,387	32,000
Provision for FBT	-	1,876
Other Current Liabilities & Provisions	40,175	2,025
	518,666	142,696

NIYATI INDUSTRIES LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH,2010

	AS ON 31.03.09	AS ON 31.03.09
<u>SCHEDULE : 13</u>		
<u>OTHER INCOME</u>		
Interest	2,742,941	543,921
Brokerage	33,249	-
Dividend	392,856	-
Other	37,422	42,888
	3,206,468	586,809
<u>SCHEDULE : 14</u>		
<u>INCREASE / DECREASE IN STOCK</u>		
<u>Opening Stock</u>		
Equity	-	-
Land at Shivlakha	12,040,000	-
	12,040,000	-
<u>Closing Stock</u>		
Equity	540,105	-
Land at Shivlakha	-	12,040,000
	540,105	12,040,000
	(11,499,895)	12,040,000
<u>SCHEDULE : 15</u>		
<u>EMPLOYEES REMUNERATION & BENEFITS</u>		
Salaries, Wages & Bonus & Allowances	293,250	78,000
	39,820	
Staff Welfare Expenses	-	2,650
	333,070	80,650

NIYATI INDUSTRIES LIMITED		
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH,2010		
	AS ON 31.03.10	AS ON 31.03.09
<u>SCHEDULE : 16</u>		
<u>OTHER EXPENSES</u>		
Bank Charges	1,412	8,935
Conveyance	71,115	-
Electricity Charges	7,849	7,864
Legal, Professional & Consultancy Fees	384,000	10,000
Listing Fees	46,603	30,404
Loss on sale of shares	163,150	-
Office Expenses	92,750	47,265
Postage, Courier & telephone charges	89,310	28,850
Printing & Stationery	82,950	38,800
Repair & Maintainence	38,490	900
R.O.C. Expenses	29,580	1,500
Telephone Expenses	53,937	25,766
Travelling	65,038	-
Share Transfer Expenses	8,240	14,616
<u>Auditors Remuneration</u>		
As Audit Fees	40,000	15,000
As Tax Audit Fees	10,000	5,000
For Taxation Matters	-	-
	1,184,424	234,900

Schedule 17: Notes forming parts of the accounts Significant Accounting Policies

- 1) **Basis of Accounting:** The financial statement is prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accruals basis, except in respect of assets classified as Non-Performing Assets (NP).
- 2) **Use of Estimates:** The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual Results could differ from those of estimated.
- 3) **Revenue Recognition :**
 - a. **Sale of Goods:** Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the goods are transferred to the customer, as per the terms of the respective Sales order.
 - b. **Interest:** Interest Income is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.
 - c. **Dividend:** Dividend income from Investments is recognized when the right to receive payment is established.
 - d. **Income from Lease & Hire Charges:** In respect of lease management fees and lease rentals arising out of lease agreements and hire purchase charges & services charges arising out of hire purchase agreements it is the company's general policy to accrue the income as per the terms of the agreements entered into with lessees/hirers from time to time. In respect of hire purchases business, the company recognizes income on declining balance basis based on rates implicit in the transaction.

- 4) **Fixed Assets:** Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses. Cost includes all expenditure necessary to bring the assets to its working conditions for intended use.
- 5) **Depreciation:** Depreciation is provided on the straight-line method based as per the rates specified in Schedule XIV of the Companies Act, 1956.
- 6) **Investments:** Long term investments are valued at Cost of Acquisition. Accordingly no provision is made for temporary diminution in the value of such Investments. Current investments are carried at lower of cost and fair values determined on individual basis
- 7) **Inventories:** Inventories are at lower of cost or net realizable value. Stock of land is valued at lower of cost or net realizable value. Cost is determined on the weighted average basis, net realizable value is determined on individual basis.
- 8) **Borrowing Cost:** Borrowing Cost that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A quality asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- 9) **Retirement and other employee benefit:** Gratuity is accounted for on cash basis.
- 10) **Provisions, contingent liabilities and contingent assets:** A provision is recognized when the Company has a present obligation as a results of past events and it is probable that an out flow of resources will be required to settle the obligation, in respect of which are reliable estimates can be made. Provisions are not discounted to their present value and are determined based on estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed by way of Notes to the account. Contingent Assets are not recognized.
- 11) **Taxation:** Provision for current income tax is made in accordance with the Income Tax Act,1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that original in one period and are capable of reversal in one or more subsequently period.
- 12) **Impairment:** It is a policy of the Company that Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable amount except for the assets where law suits are pending for any dispute.
- 13) **Earning Per Share** Basic earnings Per Share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the Board Of Directors. For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity shareholders and the weight average number of share outstanding during the period adjusted for the effects of all dilutive potential equity shares. The number of equity shares and potential dilutive equity shares are adjusted for bonus as appropriate.

Notes to the Accounts

NOTES TO THE ACCOUNTS

1) **CONTINGENT LIABILITIES:**

There are no contingent liabilities as on the date of the balance sheet.

2) **DIRECTORS REMUNERATION**

	2009-2010	2008 - 2009

3) **AUDITORS REMUNERATION**

	2009-2010	2008 - 2009
As Auditor	Rs. 40,000.00	Rs.15,000.00
As advisor, or in any other capacity		
(i) Taxation Matters	Nil	Nil
(ii) Company Law Matters	Nil	Nil
(iii) Management Services	Nil	Nil
In Any Other Matter	Rs.10,000.00	Rs.5,000.00

- 4) **SEGMENT REPORTING AS REQUIRED BY ACCOUNTING STANDARD 17** There are no reportable segment, as the entire operation of the Company relates to major segments trading in shares & securities.
- 5) **DEFERRED TAX:** The Company has not recognize the Deferred Tax Assets on account of carried forward unabsorbed depreciation as a matter of prudence in accordance with Accounting Standard-22 on " Accounting for Taxes on Income" issued by The Institute of the Chartered Accountants of India.Net Deferred Tax Assets is worked out to Rs. 585118/-

6) **EARNING PER SHARE (EPS) COMPUTED IN ACCORDANCE WITH AS-**
FACE VALUE OF THE SHARE IS RS.1

Net Profit After Tax	Rs.1353226.00
Number Of Shares	5,04,00,000
Weighted Average Number Of Shares	37578750.00
Basic Earning Per Share	Rs. 0.003
Diluted Earning Per Share	Rs. 0.036

7) **RELATED PARTIES DISCLOSURE IN ACCORDANCE WITH THE ACCOUNTING STANDARD 18**
LIST OF THE RELATED PARTIES: ENTERPRISE OWNED OR SIGNIFICANTLY CONTROLLED BY THE
DIRECTORSTHE COMPANY:

The Name Of The Company/Firm	Director Interested
M/s. Nutan Plastic Works	Jayant S. Shah
M/s. Rishabh Fin Trade Ltd	Jayant S. Shah
Tarpan Finance & Investments Pvt. Ltd	Jayant S. Shah
M/s. Ravindra Joshi	Ravindra Joshi
M/s. Arvind Shah & Co	Arvind M. Shah
Pan India Drugs & Chemicals Ltd	Akshay B. Shah
Veer Energy & Infrastructure Ltd	Arvind M. Shah

- 8) **Employees retirement benefits:** As required by the mandatory accounting standard - 15 regarding " Accounting for Retirement Benefits in the Financial Statements of Employer". The Company has not provided the Gratuity but shall be accounted for on cash basis.
- 9) **The Assets on Lease is non performing assets:** The Company has taken legal action, hence it has not been written off as required by Accounting Standard 28 "Impairment of Assets ". For Own Assets- Wind Turbine Generator, the matter is pending with the Court. But the Company has not recognized the expenses for the difference in carrying amount of the fixed assets as required by Accounting Standard - 28 "Impairment of Assets" because the exact amount can not be quantified. Once the matter is sorted out by the court, the Company will make entries for the writing off the assets in the books.
- 10) Additional information pursuant to para. 3 & 4C & 4D of the Part II of Schedule VI of the Companies Act,1956.(As certified by the management)
- 11)
(i) Details of Capacity & Production

The License Capacity	N.A
The Installed Capacity	N.A
The Actual Production	N.A

(ii) **Raw Materials Consumed (Amount in Lakhs)**

	OPENING STOCK	PURCHASE	SALES	CLOSING STOCK
	N.A	N.A	N.A	N.A

(iii) **Particulars In Respect Of Goods Dealt With By The Company (Amount in Lakhs)**

	Year Ended	31.03.2010	Year Ended	31.03.2009
	Quantity	Value	Quantity	Value
Opening	86	12040000	0	0
Purchase	0	0	86	12040000
Sales	86	12150000	0	0
Closing	0	0	86	12040000

(iv) **Value Of Imported & Indigenous Material Consumed & Percentage There Of**

	2009-2010		2008 - 2009	
	Value	%	Value	%
Value of Imported material consumed	Nil	0	Nil	0
Value of indigenous material consume	Nil	0	Nil	0
Total	Nil	0	Nil	0

(v) **Value Of Imports On CIF Basis In Respect Of**

	2009-2010		2008 - 2009	
	Value	%	Value	%
Raw materials	Nil	0	Nil	0
Components & spare parts	Nil	0	Nil	0
Capital Goods	Nil	0	Nil	0

(vi) **Expenditure In Foreign Currency On Account Of**

	2009-2010		2008 - 2009	
	Value	%	Value	%
Royalty, Know How, Professional, Consultation Fees, Interest And Other Matters	Nil		Nil	
Traveling	Nil		Nil	

(vii) **Dividend Remitted In Foreign Currency**

	2009-2010		2008 - 2009	
	Value	%	Value	%
	Nil	0	Nil	0

(viii) **Earning In Foreign Exchange**

	2009-2010		2008 - 2009	
	Value	%	Value	%
FOB value of Exports	Nil	0	Nil	0
Royalty, know how, professional & consultation fees	Nil	0	Nil	0
Interest & Dividend	Nil	0	Nil	0
Other Income	Nil	0	Nil	0

12) In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business.

13) The Company has not received any information from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the act) and hence disclosure regarding:

(i) Amount due and outstanding to suppliers as the end of accounting year

(ii) Interest paid during the year

(iii) Interest payable at the end of the accounting year, and

(iv) Interest accrued and unpaid at the end of the accounting year, has not been provided

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

1) Previous year figures have been regrouped & re arranged wherever necessary

As per our report of even date attached

For Jayesh R. Shah & Co.

Chartered Accountants

Firm Reg.No: 104182W

For & On behalf of the Board

SD/-

Jayesh Shah
Proprietor
M.No. 033864

SD/-

Jayant S. Shah
Director

SD/-

Jigar J. Shah
Director

SD/-

Arvind M. Shah
Director

Place: Mumbai

Dated: 24th August, 2010

NIYATI INDUSTRIES LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2010			
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT			
		Rupees For the year ended March 31,2010	Rupees For the year ended March 31,2009
A	Cash Flow from Operating Activities		
	Net Profit after tax	1,353,226	110,178
	Adjustments for :		
	Depreciation	127,205	127,205
	Preliminary Expenses written off		
	Share Issue Expenses written off		
	Right Issue Expenses written off		
	Other Income	(3,206,468)	(259,078)
	Operating Profit before Working Capital Changes	(1,726,037)	(21,695)
	Adjustments for :		
	(Increase) / Decrease in Inventories	11,499,896	(12,040,000)
	(Increase) / Decrease in Sundry Debtors	36,342	260,000
	(Increase) / Decrease in Loans & Advances	6,066,878	20,037,065
	(Increase) / Decrease in Other Current Assets	(14,135,740)	-
	Increase / (Decrease) in Current Liabilities	375,970	193,174
	Cash generated from Operations	3,843,346	8,450,239
	Prior year Adj.	446	77
	Net Cash (used) / from Operating Activities	2,117,755	8,428,544
B	Cash flow from Investing Activities		
	Sale/(Purchase) of Fixed Assets	-	-
	Sale/(Purchase) of Investments of Investments	1,654,067	(5,751,875)
	Repayment of Secured Loans	(3,766,142)	-
	Increase/(Decrease) of Unsecured Loans	1,000,000	(2,858,170)
	Loss on Sale of Leased Assets		-
	Interest & Other Income	3,206,468	259,078
	Net Cash (used in) / from Investing Activities	2,094,393	(8,350,967)
C	Cash flow from Financial Activities		
	Dividend Paid	-	-
	Interest Paid	-	-
	Net Cash (used in)/ from Financing Activities	-	-
	Net changes in cash & cash equivalents (A + B + C)	4,212,148	77,654
	Cash & cash equivalents - Opening Balance	2,062,891	1,985,237
	Cash & cash equivalents - Closing Balance	6,275,039	2,062,891
		SD/-	SD/-
		Jayant S. Shah	Arvind M. Shah
		Director	Director
		SD/-	
		Jigar J. Shah	
		Director	
	Place : Mumbai		
	Date : 24th August, 2010		
	We have examined the attached Cash Flow Statement Of Niyati Industries Limited for the year ended 31/03/2010 The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the Members of the Company. For Jayesh R. Shah & Co. Chartered Accountants Firm Reg. No: 104182W SD/- (Jayesh Shah) Proprietor		Membership No. 033864 Place : Mumbai

Balance sheet abstract and Company's general business profile

1)	Registration Details			
	Registration No.	67632	State Code	11
	Balance Sheet Date 31.3.2010			
2)	Capital raised during the year			(Rs.in Thousand)
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
3)	Position of Mobilization and Deployment of Funds			(Rs. in Thousands)
	Total Liabilities	75603	Total Assets	75603
	Sources of Funds:			
	Paid-up Capital	36988	Reserves & Surplus	29353
	Secured Loans	6472	Unsecured Loans	2790
	Deferred Tax Liability	NIL		
	Application of Funds:			
	Net Fixed Assets	21317	Investments	4343
	Net current Assets	49942	Misc. Expenditure	NIL
	Accumulated Losses	NIL		
4.	Performance of Company			(Rs. In Thousands)
	Turn Over	66776	Total Expenditure	65267
	Profit before tax	1509	Profit after tax	1353
	Earning per Share in Rs.	0.036	Dividend rate %	NIL
5.	Generic Names of Principal Products, Services of Company.			
	Item code No.		-----	
	Production Description		-----	
	SIGNATURE TO SCHEDULES "1" TO "17" FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

For and on Behalf of the Board

SD/-	SD/-	SD/-
Jayant S. Shah	Jigar J. Shah	Arvind M. Shah
Director	Director	Director

Place: Mumbai

Date: 24th August, 2010

NIYATI INDUSTRIES LIMITED

6, New Nandu Industrial Estate, Mahakali Caves Road, Andheri East, Mumbai-400093

ATTENDANCE SLIP

18TH ANNUAL GENERAL MEETING ON 25th September, 2010 the Registered Office at 6, New Nandu Industrial Estate Mahakali Caves Road, Andheri East, Mumbai-400093

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING PLACE.

Joint Shareholder may obtain additional Attendance Slips on request

NAME ADDRESS OF THE SHAREHOLDER	L.F. NO.

I hereby record my presence at 18th ANNUAL GENERAL MEETING of the company at 6, New Nandu Industrial Estate, Mahakali Caves Road, Andheri East, Mumbai-400093
SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

IF SHAREHOLDER, PLEASE SIGN HERE	IF PROXY. PLEASE SIGN HERE

NOTE: The copy of Annual Report may please be brought to the meeting Place.

(TEAR HERE)

NIYATI INDUSTRIES LIMITED
PROXY FORM

REGISTERED OFFICE:

L.F. NO.

I / WE _____ OF _____

Being a member/members of NIYATI INDUSTRIES LIMITED hereby appoint _____

OF _____

or failing him/her _____ OF _____

as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the

company to be held at As witness my / our hand(s) this _____ day of _____

(OF THE SHAREHOLDER)

NOTE : The Proxy form must be returned so as to reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.