

# NIYATI INDUSTRIES LIMITED

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## TWENTY FIRST ANNUAL REPORT

**2012 - 2013**

*Regd. Off: 629-A, 1<sup>st</sup> Floor, Gazdar House, J.S.S. Marg,*

*Near Kalbadevi Post Office, Mumbai- 400002*

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# **NIYATI INDUSTRIES LIMITED**

## **BOARD OF DIRECTORS**

<b>Mr. Bhavin S Shah</b>	<b>Director</b>
<b>Mr. Yogesh M Shah</b>	<b>Director</b>
<b>Mr. Jayant S Shah</b>	<b>Director</b>
<b>Mr. Arvind M Shah</b>	<b>Director</b>
<b>Dr. Dharnendra B Shah</b>	<b>Director</b>
<b>CA. Vivek D Shah</b>	<b>Director</b>

## **AUDITORS**

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

## **REGISTERED OFFICE**

<b>629-A, 1<sup>st</sup> Floor, Gazdar House,</b> <b>J.S.S. Marg,</b> <b>Near Kalbadevi Post Office,</b> <b>Mumbai-400002.</b>
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## NOTICE

NOTICE is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of M/s. NIYATI INDUSTRIES LIMITED will be held At 6, New Nadu, Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai 400093 on 18<sup>th</sup> June, 2013 at 10.00 A.M. to transact the Following Business.

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Statement of Profit & Loss for the year Ended 31st March 2013, Balance Sheet as at that date along with the Report of Directors' and Auditors' thereon.
- 2) To Appoint a Director in place of Mr. Arvind M Shah who retires by rotation and being eligible offers himself for re-appointment.
- 3) To Appoint a Director in place of Mr. Jayant Shah who retires by rotation and being eligible offers himself for re-appointment.
- 4) 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

- 5) To appoint Shri Bhavin S Shah as a Whole time director designated as a Managing Director and in this regard 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 Sections 198, 269, 309 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the said act including any modification (s) or reenactment(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded for the appointment of Shri Bhavin S Shah as a Whole time director designated as a Managing Director of the Company for a period of five years with effect from 22<sup>nd</sup> May, 2013 on the terms, conditions and stipulations including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board constituted to exercise its power, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and/ or remuneration, subject to the same not exceeding the limits specified under the Schedule XIII to the Companies Act, 1956 or any other statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER that the Board be and hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 6) "RESOLVED THAT, pursuant to the provisions of Section 21 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, if any, and subject to approval of Central Government the name of the Company be changed from "NIYATI INDUSTRIES LIMITED" to "VEERHEALTH CARE LIMITED" and accordingly the name 'NIYATI INDUSTRIES LIMITED', wherever it appears in the Memorandum of Association, Articles of Association, Documents, letter heads etc. of the Company, be substituted by the new name 'VEERHEALTH CARE LIMITED.'

"RESOLVED FURTHER THAT, Mr. Jayant Shah, the director of the company be and is hereby authorized to do all such acts, deeds and such other steps as may be thought necessary to give effect to the above resolution."

"RESOLVED THAT Clause I (Name Clause) in the memorandum of association of the company be and is hereby altered by substituting the same with the following:

"The name of the Company is VEERHEALTH CARE LIMITED."

RESOLVED THAT Clause 1 of the Articles of Association of the company be substituted by the following:

"The Company" means VEERHEALTH CARE LIMITED.

#### 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 17<sup>th</sup> to 18<sup>th</sup> June, 2013 (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) Queries on accounts and operations of the company, if any, may please be sent to the company seven days in advance of the meeting so that the answers may be made readily available at the meeting.
- 5) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, Members are therefore requested to bring their copies of Annual Reports at the meeting.

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

The following explanatory statements sets out all the material facts relating to the Special Business mentioned in the accompanying:

**ITEM NO. 5**

The Board of Directors of the Company (the 'Board'), at its meeting held on 22<sup>nd</sup> May, 2013 has, subject to the approval of Members, appointed Shri Bhavin S Shah as a Whole-time Directors, designated as Managing Director, for a period of 5 (five) years with effect from 22<sup>nd</sup> May, 2013 on the remuneration determined by the Remuneration Committee of the Board and approved by the Board. It is proposed to seek Members' approval for the appointment of and remuneration payable to, Shri Bhavin Shah, as Whole-time Directors, designated as Managing Director, in terms of the applicable provisions of the Companies Act, 1956 ("the Act"). Broad particulars of the terms of re-appointment of and remuneration payable to Shri Bhavin S Shah are as under:

- i) Gross Salary: Rs. 7,20,000/- Per annum with an annual increment subject to maximum of 15% of salary every year, effective from such month as may be decided by the Board.
- ii) Performance linked incentive, subject to maximum of 100% of the annual salary.
- iii) Statutory contributions, if any applicable.
- iv) Perquisites as given below in accordance with the policies of the Company:
  - a. Gratuity
  - b. Leave encashment
  - c. Medical insurance
  - d. Company maintained car, subject to a maximum expense on car limited to Rs. 120000/- per annum
  - e. Telephone at residence
  - f. Club fees (maximum of two clubs)
- v) Stock Options - As per the policies of the company.

**ITEM NO.6**

The Management has decided to diversify in the pharma sector and accordingly change the name of the company from Niyati Industries Limited to Veer health Care Limited .as approved by the Registrars of Companies as on 25th April, 2013.

The Directors recommended the approval of the shareholders through special resolution.

None of the Directors is concerned or interested in the said resolution.

Place :- Mumbai  
Date :- 22<sup>nd</sup> May, 2013

By the order of the Board of Directors  
For Niyati Industries Limited

SD/-  
Jayant Shah  
Director

## DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in submitting the 21<sup>st</sup> Annual Report along with the Audited Balance Sheet and Profit and Loss A/c for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS (In Thousands)

Particulars	31 <sup>st</sup> March 2013 (Amount in "000")	31 <sup>st</sup> March 2012 (Amount in "000")
Turnover	31601	17078
Net Profit Before Tax	54	2081
Less: Provision For Tax	(8)	626
Profit After Tax	62	1455
Add: Balance In Profit & Loss c/fd	(7618)	(9128)
Add: Transfer From General Reserve	Nil	Nil
<u>APPROPRIATIONS</u>		
Prior Period Adjustment	Nil	54
General Reserve	Nil	Nil
Provisions Written Back	Nil	Nil
Balance C/F.	(7556)	(7618)

### **DIVIDEND**

In view of inadequate profit during the year, the directors do not recommend any dividend on equity shares for the year ended on 31.3.2013.

### **OPERATION**

The Company has started its operation in to Pharma products during the year. The Company had changed its main objects in the year 1998 and accordingly changed its name from Niyati Leasing Ltd. to Niyati Industries Limited. Though it could not start activities in pharma field for a long due to various reasons. During the year, the Company has made preferential issue and now it has decided to start manufacturing activities at Ahmedabad. It has already deployed fund for the Factory and construction work is going on. The machinery installation is expected to be completed and production to start by the second half of the year 2013-14. Till then the Company has already started trading activities in pharma products The Company has adopted all the accounting standards applicable to the company.

### **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 2012 - 13. The compliance report along with Auditors Certificate is provided in the Corporate Governance Report annexed to this report.

### **DIRECTORS**

Mr. Arvind M Shah and Mr. Jayant Shah retire by rotation but eligible, offer themselves for reappointment.

Mr. Ravindra V Joshi has resigned from the post of Directorship w.e.f. 29<sup>th</sup> November, 2012.

Mr. Bhavin S Shah has been appointed as Managing Director of the company subject to approval from Annual general meeting w.e.f. from 22<sup>nd</sup> May, 2013.

Dr. Dharmendra B Shah & Mr. Vivek D. Shah have been appointed as an Independent Non- Executive Director of the company, w.e.f. 22<sup>nd</sup> May, 2013 and Mr. Jigar J. Shah & Mr. Akshay Shah have resigned from the post of Directorship, w.e.f. 22<sup>nd</sup> May, 2013.

### **AUDITORS**

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

#### DEMATERIALIZATION

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 planning to develop its own manufacturing unit to manufacture pharma products at Ahmedabad. During the year also it has tie up with many companies in this field. The Company is expecting to run its pharma business in full swing by the end of 2013-14. The Company has already registered 27 products and in process to register few more. The Company has already deploy the fund towards construction of factory and factory work is going on in full swing at Ahmedabad, meanwhile company has tie up with some party for procurement of raw material on long term basis.

#### 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  
Date :- 22<sup>nd</sup> May, 2013

By the order of the Board of Directors  
For Niyati Industries Limited

SD/-  
Jayant Shah  
Director

## 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 Six Directors out of which three are Executive Directors and rest are Independent Non-Executive Directors of the company.

#### A brief profile of the Directors is given below:

Mr. Yogesh M Shah (54 years) is the tax and financial consultant.

Mr. Bhavin S. Shah (33 Years) is a M.Com a Microsoft certified professional and vast experience in production and operation management.

Mr. Jayant S. Shah (59 years) is a Director of the company & engaged in the business since 1980.

Mr. Arvind M. Shah (56 years) is a tax consultant.

Dr. Dharnendra B. Shah (63 years) is a practicing Doctor with experience of 38 years.

CA. Vivek Shah (23 years) is a Practicing Chartered Accountant.

### BOARD MEETING

Total 6 Board Meetings were held in a financial year 31st March, 2013. The meetings were held on 30/04/2012, 16/07/2012, 31/10/2012, 30/11/2012, 18/01/2013 and 14/02/2013.

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. Jayant S. Shah	6	Yes
Mr. Ravindra Joshi	3	No
Mr. Arvind M. Shah	4	No
Mr. Akshay Shah	2	No
Mr. Jigar J. Shah	5	Yes
Mr. Yogesh M. Shah	6	Yes

### 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 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.

Four (4) such Meetings of the committee were held during the 30/04/2012, 16/07/2012, 31/10/2012 and 14/02/2013.

Meetings and Attendance of members of the Audit Committee during the Financial Year 2012 - 2013

Directors	No. Of Meetings Attended
Mr. Ravindra Joshi	2
Mr. Arvind M. Shah	4
Mr. Akshay Shah	4

**The Board has re-constituted audit committee comprising of a three members. The members are CA Vivek Shah, Dr. Dharnendra B Shah and Mr. Arvind M Shah.**

### REMUNERATION COMMITTEE

The Board has re-constituted a remuneration committee comprising of Mr. Arvind Shah, Dr. Dharnendra B Shah and CA Vivek Shah.

### SHAREHOLDER GRIEVANCE COMMITTEE

The Board has re-constituted a committee comprising of Three Directors Dr. Dharnendra B Shah, Sri Arvind M. Shah and CA Vivek Shah to look into the grievance of shareholders and investor.

**Analysis of Shareholders Correspondence during the year under consideration:**

Nature Of	Received	Redressed
Correspondence	0	0
Change of Address	Nil	Nil
Demat Request	6	6
Annual Report	Nil	Nil

The Board has constituted has a new investors grievances committee consisting of three members. The members are Dr. Dharnendra B Shah, Mr. Arvind M Shah and CA Vivek Shah.

**DETAILS OF THE LAST THREE GENERAL MEETINGS:**

MEETING	DATE AND TIME OF A. G. M.	PLACE	SPECIAL RESOLUTION PASSED
18 <sup>th</sup> AGM	25-9-2010 at 11.00a.m	Regd. Office	Yes. To appoint a director
19 <sup>th</sup> AGM	23-08-2011 at 10.00 a.m.	140/142 Princess Street, Govind Building, 2 <sup>nd</sup> Floor, Mumbai 400 002	Yes. To appoint a director
20 <sup>th</sup> AGM	31-08-2012 at 10.00a.m.	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**

**21<sup>st</sup> ANNUAL GENERAL MEETING**

Date & Time	Tuesday, the 18 <sup>th</sup> June, 2013 at 10.00 A.M
Venue	6, New Nadu Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai 400093.
Date of Book Closure	17 <sup>th</sup> to 18 <sup>th</sup> June, 2013 (both inclusive)

**LISTING ON STOCK EXCHANGE:**

THE STOCK EXCHANGE, MUMBAI, (Stock Code: 503657), Phiroze Jeejeebhoy Towers, 25<sup>th</sup> 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. Add: 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 95.35% of the Company's paid-up equity share capital has been Dematerialized upto 31st March, 2013. Trading in Equity Shares of the Company is permitted only in Dematerialization form as per notification issued by the Securities and Exchange Board of India (SEBI).

NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, SenapatiBapat 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 31<sup>ST</sup> MARCH, 2013****NUMBER OF SHARES DEMATERIALIZED**

NSDL	CDSL	TOTAL
27232736	39108664	66341400

**SHAREHOLDING PATTERNS**

Share holding pattern of the Company as on 31st March, 2013, is as follows

CATEGORY	PHYSICAL		ELECTRONIC		TOTAL	
	No. of shares	%	No. of shares	%	No. of shares	%
A. Promoters holding						
- Indian Promoters	0	0	22208974	31.92	22208974	31.92
- NRI Promoters	0	0	0	0	0	0
- Bodies Corporate	0	0	0	0	0	0
B. Non Promoters Holdings						
- Institutional Investors	0	0	0	0	0	0
- Banks, FIs	0	0	0	0	0	0
Corporate	1000	0.00	3031315	4.36	3032315	4.36
Indian Public	3236350	4.65	40078221	57.60	43314571	62.25
NRIs/ OCBs	0	0	1022890	1.47	1022890	1.47
Grand Total	3237350	4.65	66341400	95.35	69578750	100

**Distribution Schedule (As on 31st March,2013):**

SHARE HOLDING OF NOMINAL VALUE OF		NUMBER	% TO TOTAL	IN RS.	% TO TOTAL
(1)	(2)	(3)	(4)	(5)	(6)
UPTO	5,000	2765	78.64	5002159	7.19
	5,001	364	10.35	3141684	4.52
	100,001	197	5.60	3036321	4.36
	20,001	43	1.22	1114292	1.60
	30,001	27	0.77	952131	1.37
	40,001	29	0.82	1380928	1.98
	50,001	29	0.82	2078111	2.99
	100,001 AND ABOVE	62	1.76	52873124	75.99
<b>TOTAL</b>		<b>3516</b>	<b>100.00</b>	<b>69578750</b>	<b>100.00</b>

**STOCK MARKET DATA**

Monthly closing high and low quotation of shares traded on the Stock Exchange, Mumbai (BSE) for the year 2012-2013

Month	High(Rs.)	Low(Rs.)
Apr	0.66	0.58
May	0.79	0.63
Jun	0.75	0.54
Jul	0.72	0.52
Aug	0.78	0.61
Sep	0.65	0.58
Oct	1.47	0.66
Nov	2.06	1.54
Dec	2.95	2.10
Jan	2.80	2.09
Feb	2.46	1.81
Mar	2.04	1.56

#### DECLARATION BY THE DIRECTOR – PURSUANT TO CLAUSE 49(v)

We have reviewed the Financial Statements and the Cash Flow Statements for the year ended 31<sup>st</sup> March, 2013 and certify, to the best of our knowledge and belief, that;

- I. These statements present a true and fair view of the company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
- II. These statements do not contain any materially untrue statements, or omit any material facts or contain statements that might be misleading;
- III. No transactions entered into by the Company during the year were fraudulent, illegal or violated of the Company's Code of conduct and no instances of fraud took place;
- IV. We accept the responsibility for establishing and maintaining internal controls for financial reporting;
- V. We have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and have taken a steps to rectify the same; wherever found;

Significant changes in internal control over financial reporting, as well as significant changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee, and have been disclosed in the notes to the financial statements.

Place :- Mumbai

Date :- 22<sup>nd</sup> May, 2013

For Niyati Industries Limited  
SD/-  
Jayant Shah  
Director

#### 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 31<sup>st</sup> March 2013, 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 Registration No. 104182W  
SD/-  
Jayesh Shah  
Proprietor  
Membership No. 033864

Place: Mumbai

Date: 22<sup>nd</sup> May, 2013

## MANAGEMENT DISCUSSIONS & ANALYSIS

### Industry Structure and Outlook

Ayurvedic medicines are produced by several thousand companies in India, but most of them are quite small, including numerous neighborhood pharmacies that compound ingredients to make their own remedies. It is estimated that the total value of products from the entire Ayurvedic production in India is on the order of 1.5 billion dollars (U.S.). The industry has been dominated by less than a dozen major companies for decades, joined recently by a few others that have followed their lead, so that there are today 130 companies doing a million dollars or more per year in business to meet the growing demand for Ayurvedic medicine. Several small companies that have grown rapidly in recent years envision themselves as primary players in the Ayurvedic market.

### SWOT Analysis

#### Strength:

1. The company's has an extensive range of Ayurvedic and Generic medicines covering Tablet, Capsule, Power, Liquid, and Ointments & Cosmetics.
2. The company has appointed Mr. Bhavin S Shah as Managing Director who has vast experience of more than 12 years in the field of production & Supply chain management.
3. The company has appointed Dr. Dharnendra B. Shah who is a general medical practitioner with more than 25 years of experience and expertise in his field.
4. The company has appointed CA. Vivek D Shah who will look into corporate governance and internal control of the company. He has the experience of working in a CA firm having international repute.

#### Weakness:

1. Doctors prescribe allopathy medicines as they get more incentives from medical companies and the share of Ayurvedic companies are less compared to allopathy.
2. The company presently does not have any marketing tie ups with any of the distribution agencies.
3. The company is a new entrant in this field and will take time to establish its network.
4. Building a Brand Image involves high cost and considerable amount of time.

#### Opportunity:

1. Gujarat hosts majority of the large pharmaceuticals corporation in India due to its favorable policies supporting the growth of the sector.
2. The factory is located within the radius of 15 Km from Ahmedabad city and so labour is freely available.
3. Factory is constructed as per the prescribed WHO standards which will help the company to stand in international market.
4. The global personal care products industry is growing at a very rapid pace which allows company to pursue aggressive expansion plans.

#### Threats:

1. Stiff competition impacts pricing power as existing companies are using pricing as a tool because high inflation makes lower prices easier to attract consumers.
2. Constant increase in costs in terms of raw material and packaging costs.
3. The allopathy players are of major threat as they invest heavily on advertising and distribution of their products through medical representatives etc.
4. Since the cultural mind set is such that Ayurvedic treatment takes more time to heal people are afraid to start it.

### Internal control systems and their adequacy

The internal controls of the company are adequate for its nature and size.

### Cautionary Statement:

The statements made above may be construed as forward looking statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time.

For and behalf of the Board  
**For Niyati Industries Limited**

SD/-	SD/-	SD/-
Jayant Shah	Arvind Shah	Yogesh Shah
(Director)	(Director)	(Director)

Place: Mumbai  
Date: 22<sup>nd</sup> May, 2013

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
**Niyati Industries Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ABC Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

### **For Jayesh R. Shah & Co**

Chartered Accountants  
Firm's Registration Number 104182W  
**SD/-**  
Jayesh Shah  
Proprietor  
Membership Number 033864  
Place: Mumbai  
Date: 22<sup>nd</sup> May, 2013

**Annexure referred to in paragraph (1) under "Report on Other Legal and Regulatory Requirements" of Independent Auditors Report of even date.**

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.

(b) According to the information and explanation, the fixed assets have been physically verified by the management once in a year and no material discrepancies have been noticed on such verifications.

(c) No fixed assets have been disposed off during the year under report.

(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 generally 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 31<sup>st</sup> March, 2012. For a period of more than six months from the date they become payable.

There are no matters pending with the Income Tax authorities except for the A.Y. 1999-2000 where the Income Tax department has filed an appeal in to the high court against the order of the Income Tax tribunal in favour of the Company.

(b) According to the records of the Company and information and explanation given to us and record verified by us there are no outstanding dues of Sales-tax, Custom Duty, Excise Duty, Income tax, wealth tax, service tax, cess which have not been deposited, with the appropriate authorities on account of disputes.

(x) The accumulated losses of the Company on account of sale of assets is Rs. 1,38,06,716/-.

(xi) Based on our audit procedures and the information and explanations given by the management, Company has not defaulted in repayment of its dues to any banks or financial institutes or debenture holders.

(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 made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. According to information and explanation, we are of the opinion that the price at which shares have been issued are not prejudicial to the interest of the Company.

(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 Registration No.104182W

**SD/-**

**Jayesh Shah**

Proprietor

Membership No. 033864

**Place: Mumbai**

**Date: 22<sup>nd</sup> May, 2013.**

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Balance Sheet as at 31st March, 2013</b>			
Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	68987835	36987835
(b) Reserves and Surplus	3	58540036	18477427
(c) Money Received against share warrants	4		0
<b>(2) Share application money pending allotment</b>	5	0	0
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	6	0	0
(b) Deferred tax liabilities (Net)	7	12974	49620
(c) Other Long term liabilities	8	0	0
(d) Long term provisions	9	65938	32031
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	10	0	0
(b) Trade payables	11	17027581	42778
(c) Other current liabilities	12	158071	145550
(d) Short-term provisions	13	0	0
<b>Total</b>		<b>144792435</b>	<b>55735241</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) <i>Fixed assets</i>	14		
(i) Tangible assets		1524478	1693362
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	15	10000	10000
(c) Deferred tax assets (net)	16	0	0
(d) Long term loans and advances	17	30000000	0
(e) Other non-current assets	18	547818	0
<b>(2) Current assets</b>			
(a) Current investments	19	39565	37511
(b) Inventories	20	5034989	2234298
(c) Trade receivables	21	17129187	0
(d) Cash and cash equivalents	22	3697782	1387035
(e) Short-term loans and advances	23	86808616	50373035
(f) Other current assets	24	0	0
<b>Total</b>		<b>144792435</b>	<b>55735241</b>
<b>Notes Financial Statements and Significant Accounting Policies</b>			
<b>The note No. 1 to 52 forms an integral part of these Financial Statements</b>			
As per our Report of Even date Attached		For and on behalf of the Board	
For Jayesh R. Shah & Co.			
Chartered Accountants			
Firm Regn. No. 104182W			
SD/-	SD/-		
Jayesh Shah	Jayant Shah	Yogesh Shah	
Proprietor	Director	Director	
M.No. 033864	SD/-		
Place: Mumbai	Arvind Shah		
Date: 22nd May, 2013	Director		

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Statement of Profit and Loss for the year ended 31st March, 2013</b>			
Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations	25	27747626	14713628
II. Other Income	26	3852904	2363917
<b>III. Total Revenue (I + II)</b>		<b>31600530</b>	<b>17077545</b>
<i>IV. Expenses:</i>			
Cost of materials consumed	27	0	0
Purchase of Stock-in-Trade	28	32558263	15553548
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	(2800691)	(1553931)
Other Manufacturing Expenses	30	0	0
Employee benefit expense	31	1132352	479448
Financial costs	32	3731	20794
Depreciation and amortization expense	14	168884	25370
Other expenses	33	483508	470958
<b>Total Expenses</b>		<b>31546047</b>	<b>14996187</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	54483	2081358
VI. Exceptional Items	34	0	0
VII. Profit before extraordinary items and tax (V - VI)		54483	2081358
VIII. Extraordinary Items	35	0	0
IX. Profit before tax (VII - VIII)		54483	2081358
X. Tax expense:			
(1) Current tax		28519	591829
(2) Deferred tax		(36645)	34167
		(8126)	625996
XI. Profit(Loss) from the period from continuing operations	(IX-X)	62609	1455362
XII. Profit/(Loss) from discontinuing operations	36	0	0
XIII. Tax expense of discounting operations		0	0
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XV. Profit/(Loss) for the period (XI + XIV)		62609	1455362
XVI. Earning per equity share:			
(1) Basic		0.001	0.039
(2) Diluted		0.001	0.039
<b>Notes Financial Statements and Significant Accounting Policies</b>			
<b>The note No. 1 to 52 forms an integral part of these Financial Statements</b>			
As per our Report of Even date Attached For Jayesh R. Shah & Co. Chartered Accountants Firm Regn. No. 104182W		For and on behalf of the Board	
SD/- Jayesh Shah Proprietor M.No. 033864 Place: Mumbai Date: 22nd May, 2013	SD/- Jayant Shah Director	SD/- Yogesh Shah Director	
	SD/- Arvind Shah Director		



<b>NIYATI INDUSTRIES LIMITED</b>		
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2013</b>		
<b>PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT</b>		
	<b>Rupees For the year ended March 31,2013</b>	<b>Rupees For the year ended March 31,2012</b>
<b>A</b>	<b>Cash Flow from Operating Activities</b>	
Net Profit before tax	62609	1455362
<u>Adjustments for :</u>		
Depreciation/Amortisation	168884	25370
Share Issue Expenses written off	0	0
Right Issue Expenses written off	0	0
Prior year adjustment	0	54403
Other Income	(3852904)	(2363917)
Operating Profit before Working Capital Changes	(3621411)	(828782)
<u>Adjustments for :</u>		
(Increase ) / Decrease in Long term loans and advances	(30000000)	0
(Increase ) / Decrease in Other non current assets	(547818)	0
(Increase ) / Decrease in Inventories	(2800691)	(1553931)
(Increase) / Decrease in Trade Receivable	(17129187)	0
(Increase ) / Decrease in short term loans and Advances	(36435581)	(2238796)
(Increase ) / Decrease in Other Current Assets	0	5421973
(Increase ) / Decrease in Current Investments	(2054)	(2511)
Increase /(Decrease) in other long term liabilities	0	0
Increase /(Decrease) in Long term provisions	33907	32031
Increase /(Decrease) in Current Liabilities		
Increase /(Decrease) in Short Term Borrowings	0	0
Increase /(Decrease) in Trade Payables	16984803	42778
Increase /(Decrease) in Other Current Liabilities	12521	41310
Increase /(Decrease) in Short Term Provisions	0	(578652)
Cash generated from Operations	(69884100)	1164202
Deferred Tax Adjustment	36646	(34167)
Net Cash (used) / from Operating Activities	<b>(73542157)</b>	<b>369587</b>
<b>B</b>	<b>Cash flow from Investing Activities</b>	
Sale/(Purchase) of Fixed Assets		(1603181)
Sale/(Purchase) of Non Current Investments		0
Increase/(Decrease) in Share Capital	32000000	
Increase/(Decrease) in Reserve	40000000	
Increase/(Decrease) of Long Term Borrowings		0
Loss on Sale of Leased Assets		0
Interest & Other Income	3852904	2363917
Net Cash (used in) / from Investing Activities	<b>75852904</b>	<b>760736</b>
<b>C</b>	<b>Cash flow from Financial Activities</b>	
Dividend Paid	0	0
Interest Paid	0	0
Net Cash ( used in )/ from Financing Activities	0	0
Net changes in cash & cash equivalents ( A + B + C )	2310747	1130323
Cash & cash equivalents - Opening Balance	1387035	256712
Cash & cash equivalents - Closing Balance	<b>3697782</b>	<b>1387035</b>
	<b>SD/- Jayant Shah Director</b>	<b>SD/- Yogesh Shah Director</b>
	<b>SD/- Arvind Shah Director</b>	
<b>Place : Mumbai</b>		
Date: 22nd May, 2013		

**AUDITORS CERTIFICATE**

We have examined the attached Cash Flow Statement Of Niyati Industries Limited for the year ended 31st March 2013. 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 Statement of Profit & Loss 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 Regn.No. 104182W

**SD/-**

**(Jayesh Shah)**

**Proprietor**

**M. No. 033864**

**Place : Mumbai**

Date: 22nd May, 2013

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Notes to the Financial Statements</b>			
<b>Note No.</b>	<b>Particulars</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
<b>1</b>	<b><u>Significant Accounting Policies</u></b>		
(a)	<u>Basis of Accounting:</u> The financial statement are 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)		
(b)	<u>Use of Estimates</u> 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 reported period. Actual results could differ from those of estimated.		
(c)	<u>Revenue Recognition:</u> (i) Sale of goods: Reveune from the 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. (ii) Interest Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable (iii) Dividend Dividend Income from investments are recognized when the right to receive payment established.		
(d)	<u>Fixed Assets</u> Fixed Assets are stated at cost, less accumulated depreciation and impairment losses. Cost includes all expenditure necessary to bring the assets to its working conditions for its intended use.		
(e)	<u>Depreciation and Amortisation</u> Depreciation is provided on the straight line method based as per the rate specified in Schedules XIV of the Companies Act, 1956.		
(f)	<u>Investments</u> Long-term investments are carried at cost. However, Provision is made to recognize, other than temporary, in the value of long-term investments. Current Investments ar carried at lower of cost and fair values, determined on individual basis.		
(g)	<u>Inventories</u> Inventories are at lower of cost and net realizable value. Stock of land is valued at lower of cost and net realizable value. Cost is determined on the weighted average basis, net realizable value is determined by management using technical estimates.		
(h)	<u>Borrowing Costs</u> Borrowing cost that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A quilty asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are changed to revenue.		
(i)	<u>Retirement and other employee benefits</u> The Company has adopted the policy to provide for the Liability for gratuity and leave encashment benefits on actuarial valuation.		
(j)	<u>Provisions, Contingent liabilities and contingent Assets.</u> A Provision is recognized w hen the Company has a Present obligation as a result of past events and it is probable that an out flow of resources w ill be required to settle the obligation, in respect of w hich are reliable estimate 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 review ed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed by w ay of Notes to the account. Contingent assets are not recognized.		
(k)	<u>Provision for current and deferred tax</u> Provision for current income tax is made in accordance w ith 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 betw een taxable income and accounting income that original in oone period arecapable of reversal in one or more subsequently period.		

NIYATI INDUSTRIES LIMITED			
Notes to the Financial Statements			
Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
(l)	<u>Impairments</u> 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.		
(m)	<u>Earning Per Share</u> 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 period attributed to equity shareholders and the weighted average number of share outstanding during the period adjusted for the effects of all dilutive potential equity shares. The number of equity shares are potential dilutive equity shares are adjusted for bonus as appropriate.		
(n)	<u>Share Issue Expenses</u> The share issue expenses is carried as an asset and is amortised over a period of 5 years		
2	<u>Share Capital</u>		
	<u>Authorised</u>		
	10,00,00,000 Equity shares of Rs. 1/- each	100000000	100000000
	(Previous year 60,00,000 Equity shares of Rs. 10/- each Issued, Subscribed and Paid up		
	69578750 Equity shares of Rs. 1/- each fully paid up	69578750	37578750
	(Previous year 37578750 Equity shares of Rs.1/- each		
	Less: Calls unpaid ( Other then Directors)	590915	590915
		68987835	36987835
	Reconciliation of Share Capital- Equity Shares, Face Value of Rs. 1/-		
	<b>Shares outstanding at the beginning of the year</b>	37578750	37578750
	Shares issued during the year	32000000	0
	Shares bought back during the year	0	0
	<b>Shares outstanding at the End of the year</b>	69578750	37578750
	<b>Details of shares held by each share holders holding more than 5% shares</b>		
	Name	Number of Shares	%
	Yogesh Mahasukhlal Shah	8831350	12.69
	Mahasukhlal Shah- HUF	2379650	3.42
	Diyabala Mahasukhlal Shah	4640475	6.67
	Gujarat State Financial Corporation	2106000	3.03
3	<u>Reserves and Surplus</u>		
	As at 31st March, 2012	Addition during the year	Deduction during the year*
	Security Premium Reserve	18789375	40000000
	General Reserve	7306349	0
	Surplus in statement of profit and loss	(7618297)	62609
		18477427	40062609
	* Profit for the period	2013	2012
	Profit for the period	62609	1455362
	Less: Dividend on Equity Shares	0	0
	Tax on Distributed Profits on Equity Shares	0	0
	Transfer to General Reserve	0	0
		62609	1455362
	* Addition to profit include Rs.54403/- prior period adjustment		
4	<b>Money Received against share warrants</b>	0	0
5	<b>Share Application Money pending allotment</b>	0	0

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Notes to the Financial Statements</b>			
Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
6	<b>Long Term Borrowings</b>		
	Secured	0	0
	Unsecured	0	0
		<u>0</u>	<u>0</u>
7	Deferred tax liabilities		
	Deferred Tax Liabilities on account of Fixed Assets	33349	49620
	Deferred Tax Assets on account of Gratuity Provision	20375	0
	Deferred Tax Liabilities ( Net )	<u>12974</u>	<u>49620</u>
8	<b>Other Long term liabilities</b>	<u>0</u>	<u>0</u>
9	<b>Long term provisions</b>		
	Provision for Gratuity	65938	32031
10	<b>Short-term borrowings</b>		
	Secured	0	0
	Unsecured	0	0
		<u>0</u>	<u>0</u>
11	<b>Trade payables</b>		
	Trade payables due to Micro, Small and Medium Ent.	0	0
	Trade Payable Others ( net of Advances )	17027581	42778
	Due from Related parties	0	0
	Others	0	0
		<u>17027581</u>	<u>42778</u>
12	<b>Other current liabilities</b>		
	Current maturities of long term debts	0	0
	Other payables-employees	0	0
	Trade deposits and Advances		
	Sales Tax, TDS and Withholding tax payable	33635	10550
	Interest accrued and due		
	Interest accrued but not due		
	Unpaid matured deposits and interest accrued thereon		
	Other payables	124436	135000
		<u>158071</u>	<u>145550</u>
13	<b>Short-term provisions</b>		
	Dividends on Equity shares (Including Div.Dis.Tax Income Tax and Wealth Tax		
	Employees benefits		
	Others ( Including provision for MTM on forward contracts)	0	0
		<u>0</u>	<u>0</u>
14	<b>Fixed assets</b>	<u>1524478</u>	<u>1693362</u>
15	<b>Non-current investments</b>		
	( All unquoted unless otherwise specified )		
	<b>In shares of Listed Companies</b>		
	Name of the Compan No. Face Value		
	Hindustan Org. Ltd. 200 10	10000	10000
		<u>10000</u>	<u>10000</u>
	<b>The market value of above investments is Rs.</b>	2178	
16	<b>Deferred Tax Assets ( Net)</b>	<u>0</u>	<u>0</u>
17	<b>Long term loans and advances</b>		
	<u>Business-Deposits</u>		
	Factory Deposits	30000000	0
		0	0
		<u>30000000</u>	<u>0</u>

NIYATI INDUSTRIES LIMITED F.Y. 2012-13

FIXED ASSETS : Note-14

DESCRIPTION	GROSS BLOCK				DEPRICIATION					NET BLOCK	
	AS AT 1.4.2012	ADD DURING THE YR.	DEDUC. DURING THE YR.	AS AT 31.3.2013	Up To 1.4.2012	On Op.Bal	On Add.	for the year 12-13	Up To 31.3.2013	As at 31.3.2013	As at 31.3.2012
<b><u>OWNED ASSETS</u></b>											
Office Equipment	349190	0	0	349190	257348	16584	0	16584	273932	75258	91842
Furniture & Fixtures	131345	0	0	131345	131345	0	0	0	131345	0	0
Car Valkswagon Vento	955299	0	0	955299	990	90752	0	90752	91742	863557	954309
Car-Nissan Sunny XE	647882	0	0	647882	671	61548	0	61548	62219	585663	647211
<b>Total</b>	<b>2083716</b>	<b>0</b>	<b>0</b>	<b>2083716</b>	<b>390354</b>	<b>168884</b>	<b>0</b>	<b>168884</b>	<b>559238</b>	<b>1524478</b>	<b>1693362</b>
Previous Year	480535	1603181	0	2083716	364984	23709	1661	25370	390354	1693362	115551

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Notes to the Financial Statements</b>			
Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>18</b>	<b>Other non-current assets</b>		
	Staff Advances	20000	0
	Share Issue Expenses ( Preferential)	527818	0
		<u>547818</u>	<u>0</u>
<b>19</b>	<b>Current investments</b>		
	<b>In mutual Fund</b>		
	Name                      No.                      Face Value		
	Reliance Liquid Fund      40.108	39565	37511
		<u>39565</u>	<u>37511</u>
	<b>The market value of above investments is Rs.</b>	40163	
<b>20</b>	<b>Inventories</b>		
	Stock in Trade ( In respect of goods acquired for Trading - Shares )	5034989	2234298
		<u>5034989</u>	<u>2234298</u>
<b>21</b>	<b>Trade receivables</b>		
	<b>Secured</b>	0	0
	<b>Unsecured</b>		
	Over 6 months-Good	0	0
	Others	17129187	0
		<u>17129187</u>	<u>0</u>
	Less : Provision for doubtful debts	0	0
		<u>17129187</u>	<u>0</u>
<b>22</b>	<b>Cash and cash equivalents</b>		
	Cash in hand and as Imprest	213328	278219
	Cheques/ Drafts in hand	0	0
	On Current Account	3484454	1108816
	On Dividend Account		
	On Deposit Account		
	As Margin money		
		<u>3697782</u>	<u>1387035</u>
<b>23</b>	<b>Short-term loans and advances</b>		
	Loans and Advances to Related Parties	0	0
	<u>Loans and Advances to Others</u>		49889239
	Business Advances	30560932	
	Other Advances	20142808	
	<u>Deposits</u>		0
	Intercorporate Deposits	35309524	
	Other Deposits		
	Deposits/Balances with Excise/VAT authorities	0	0
	Advance payment of Income Tax/Wealth Tax/TDS	795352	483796
	MAT credit entitlement	0	0
		<u>86808616</u>	<u>50373035</u>
<b>24</b>	<b>Other current assets</b>		
	Other current assets	0	0
<b>25</b>	<b>Revenue from operations</b>		
	Sales of Goods	21490682	0
	Sales of Shares	6256944	14713628
	Other Operating Income	0	0
		<u>27747626</u>	<u>14713628</u>
	Less:      Excise Duty	0	0
	Net Sales	<u>27747626</u>	<u>14713628</u>
	<b>Particulars of Sale of Products</b>		
	Sale of Pharma Items	21490682	0
	Dealings in Shares	6256944	14713628

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Notes to the Financial Statements</b>			
<b>Note No.</b>	<b>Particulars</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
<b>26</b>	<b>Other Income</b>		
	Interest from Others	3804150	2347000
	Dividend	48754	16917
	Net Gain/Loss on sale of current Investments	0	0
	Other Non operating Income	0	0
		<u>3852904</u>	<u>2363917</u>
<b>27</b>	<b>Cost of materials consumed</b>	<u>0</u>	<u>0</u>
<b>28</b>	<b>Purchase of Stock-in-Trade</b>		
	Shares	11181378	15553548
	Pharma items	21376885	0
		<u>32558263</u>	<u>15553548</u>
<b>29</b>	<b>Change in Inventories of finished goods, WIP and Stock in Trade</b>		
	Stock at close-Shares	5034989	2234298
		5034989	2234298
	Stock at commencement-Shares	2234298	680367
		2234298	680367
		<u>(2800691)</u>	<u>(1553931)</u>
<b>30</b>	<b>Other Manufacturing Expenses</b>	<u>0</u>	<u>0</u>
<b>31</b>	<b>Employee benefit expense</b>		
	Salaries, Wages, Bonus, Gratuities & Allowances	1100823	452531
	Contribution to Provident & Superannuation Fund	0	0
	Staff Welfare Expenses	31529	26917
		<u>1132352</u>	<u>479448</u>
<b>32</b>	<b>Financial costs</b>		
	Interest expenses on overdrafts and other borrowings	0	0
	Bank Charges	3731	20794
		<u>3731</u>	<u>20794</u>
<b>33</b>	<b>Other expenses</b>		
	Rent	0	0
	Rates & taxes	0	0
	Insurance	37110	0
	Advertisement publicity & sales promotion	6350	8531
	Travelling & other incidental expenses	80474	48650
	Office maintenance	41838	54685
	Vehicle running & maintenance	0	0
	Printing & stationery	26373	32616
	Communication expenses	72837	110268
	Staff recruitment & training	0	0
	Donation	0	0
	Auditors remuneration As auditors	65000	75000
	for tax audit	15000	15000
	for certification/limited review	40000	10000
	out of pocket expenses	0	0
	Legal, professional & consultancy charges	13500	126500
	Freight & forwarding (including ocean freight)	0	0
	Director's sitting fees	0	0
	Director's commission	0	0
	Listing Fees	46372	45875
	Miscellaneous expenses	38654	24531
	Share issue expenses w/Off	0	0
	Foreign exchange fluctuation loss/(gain)	0	0
	Discount & claims to customers and other selling expenses	0	0
	Commission on sales	0	0
	Loss/(gain) on sale/disposals of fixed assets/intangibles	0	(80698)
		<u>483508</u>	<u>470958</u>



<b>NIYATI INDUSTRIES LIMITED</b>				
<b>Notes to the Financial Statements</b>				
Note No.	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period
34	VI. Exceptional Items	0		0
35	VIII. Extraordinary Items	0		0
36	XII. Profit/(Loss) from discontinuing operations	0		0
37	<u>Valule of Imports on CIF basis in respect of :</u>	<b>2012-2013</b>		<b>2011-2012</b>
	Raw Material	Nil		Nil
	Componets and Spare Parts	Nil		Nil
	Capital Goods	Nil		Nil
38	Expenditure in Foreign Currency on account of:			
	a) Royalty, know how, professional, consultation fees, interest and other matters	Nil		Nil
	b) Travelling	Nil		Nil
39	Dividend Remitted in foreign currency	Nil		Nil
40	<u>Earning in foreign exchange</u>			
	FOB Value of exports	0	0	0
	Royalty, know how Professional and consultancy fees	0	0	0
	Interest and dividends	0	0	0
	Other Income	0	0	0
41	<u>Value of Imported and Indigenous material consumed &amp; percentage there of</u>			
		Value	%	Value
	Value of Imported material consumed	0	0	0
	Value of Indigenous material consumed	0	0	0
	Total	0	0	0
42	<u>Payment to Auditors</u>			
	a) As Auditor :	65000		75000
	b) As Advisor, or in any other capacity			
	i) Taxation matters ( Tax Audit)	15000		15000
	ii) Company Law matters;	-----		-----
	iii) management services	-----		-----
	c) In any other manner- Certification/Limited Review	40000		10000
43	<u>a) Employees Retirement Benefits:</u>			
	As required by the mandatory accounting standard -15 regarding "Accounting for Retirement Benefits in the Financial Statements of Employer" . As the liability is negligible, the Company has not provided any liability at present and shall be provided cash basis.			
44	<u>Segment Reporting as required by Accounting Standard 17</u>	%		%
	Sale of Goods	12733577	67.05	0
	Sale/Trading in shares	6256944	32.95	14713628
		18990521	100%	14713628
45	<u>Related parties disclosure in accordance with the accounting standard 18</u>			
	List of Related Parties : Enterprise owned or significantly controlled by the Directors of the Company:			
	The name of the Company/Firm	Director	Capacity	
		Interested		
	1 Nutan Plastics Works	Jayant S. Shah	Proprietor	
	2 Rishabh Fin-trade Limited	Jayant S. Shah	Director	
	3 Tarpan Finance & Investments Pvt. Ltd.	Jayant S. Shah	Director	
	4 Arvind Shah & Co.	Arvind Shah	Proprietor	
	5 Veer Energy & Infrastructure Limited	Arvind Shah	Director	
	6 Pan India Drugs & Chemicals Limited	Yogesh M. Shah	Director	
	7 Veer Energy & Infrastructure Limited	Yogesh M. Shah	Managing Director	
	8 Shruti Power Projects Pvt. Limited	Yogesh M. Shah	Director	
	9 Krupa Windtech Pvt. Ltd.	Yogesh M. Shah	Director	
	10 Ruchi Windfarm Pvt. Ltd.	Yogesh M. Shah	Director	

<b>NIYATI INDUSTRIES LIMITED</b>			
<b>Notes to the Financial Statements</b>			
Note No.	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	<u>Key Managerial Person</u>		
	Mr. Jayant S. Shah	Director	
	Mr. Jigar J. Shah	Director	
	Mr. Yogesh M. Shah	Director	
	<u>Transaction with Related Party</u>		
	Veer Energy & Infrastructure Limited	Factory Deposits paid	30000000/-
	Pan India Drugs & Chemicals Limited	Int. Cororate Deposits	10000000/-
	Rishabh Fin-trade Limited	Int. Cororate Deposits	13000000/-
	<u>Details of outstandings with Related Party at the end of the year</u>		
		31-3-2013	31-3-2012
	Veer Energy & Infrastructure Limited	30000000	0
	Pan India Drugs & Chemicals Limited	0	0
	Rishabh Fin-trade Limited	0	0
<b>46</b>	<u>Earning per Share as required by AS-20</u>		
	Profit after Tax	391868	1455362
	Basic No. of Shares at the end of the year	69578750	37578750
	No. of Shares at the beginning of the year	37578750	37578750
	Issued during the year 32000000x	73 6400000	
		365	
	Basic EPS	0.006	0.039
	Diluted EPS	0.009	0.039
<b>47</b>	There are no pending capital commitments.		
<b>48</b>	<u>Contingent Liabilities</u>		
	There are no contingent liabilities as on the date of the balance sheet.		
<b>49</b>	The Company has no liability under Micro, Small and Medium Enterprises Development Act,2006 ( the Act) and hence disclosure regarding:		
	(a) Amount due and outstanding to suppliers as the end of accounting year;		
	(b) Interest paid during the year;		
	(c) Interest payable at the end of the accounting year, and		
	(d) Interest accrued and unpaid at the end of the accounting year, has not been provided.		
<b>50</b>	The Company is required to appoint a whole time Company Secretary as per the requirements of Secion 383A of the Companies Act, 1956. The Company has advertised for the proper candidate, but could not get proper candidate, hence Company is getting work done from Practicing Company Secretary on consulting basis. The Company is in process trying to appoint a whole time Company Secretary.		
<b>51</b>	During the year under report, the Company has made a preferential issue of 32000000 equity shares of the face value of Rs.1/- @ premium of Rs. 1.25 for the expansion and diversification		
<b>52</b>	Previous year figures have been regrouped & rearranged wherever necessary.		
	As per our report of even date attached	<b>For and on Behalf of the Board</b>	
	<b>For JAYESH R SHAH &amp; CO.</b>		
	Chartered Accountants		
	Firm Regn.No.104182W		
	SD/-	SD/-	SD/-
	<b>Jayesh Shah</b>	<b>Jayant Shah</b>	<b>Yogesh Shah</b>
	Proprietor	Director	Director
	Membership No.033864		
		SD/-	
		<b>Arvind Shah</b>	
		Director	
	Place : Mumbai		
	Date : 22nd May, 2013		

NIYATI INDUSTRIES LIMITED  
629-A, 1st Floor, Gazdar House, J.S.S. Marg,  
Near Kalbadevi Post Office, Mumbai- 400002

**ATTENDANCE SLIP**

21<sup>st</sup> ANNUAL GENERAL MEETING ON 18<sup>th</sup> June, 2013 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 21<sup>st</sup> 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 \_\_\_\_\_

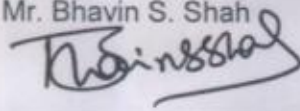
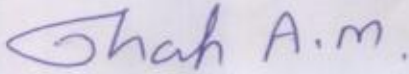

As my/our proxy to vote for me/us and on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the  
Company to be held at as witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_

**(SIGNATURE 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.

**FORM A**

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	VEERHEALTH CARE LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by	
	<ul style="list-style-type: none"> <li>Managing Director</li> </ul>	Mr. Bhavin S. Shah 
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	The Company does not have CFO.
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	Mr. Arvind M. Shah 
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	For Jayesh R. Shah & Co. Chartered Accountants (Registration No. 104182W)  Jayesh R. Shah Proprietor (Membership No. 033864)