

HEERA ISPAT LIMITED.

21st AUDITED ANNUAL REPORT
FOR THE YEAR 2012-13

COMPANY REGISTRATION NO: 04-018101
CIN NO: L27101GJ1992PLC018101
Registered with Registrar of Companies, Gujarat State

HEERA ISPAT LIMITED

Regd. Office:
206, Ashwarth Complex,
2nd Floor, Opp Fortune Land Mark Hotel,
Usmanpura,
Ahmedabad-380013

E MAIL: info@heeraispat.com

CIN: L27101GJ1992PLC018101

DATE OF INCORPORATION: 05/08/1992

COMPANY REGN NUMBER: 04-018101

NOMINAL SHARE CAPITAL: Rs.6, 00, 00,000/-

HEERA ISPAT LIMITED

HEERA ISPAT LIMITED

21st ANNUAL GENERAL MEETING - PROGRAMME.

DATE	:	15 th Oct, 2013
DAY	:	Tuesday
TIME	:	10:00 A.M
VENUE	:	AHMEDABAD TEXTILE MILLS ASSOCIATION. Opp. City Gold Multiplex, Nr. Atma House, Ashram Road, Navrangpura, Ahmedabad - 380009

NOTE TO SHAREHOLDERS:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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- 1) Board of Directors and Other Information.
- 2) Notice for the Annual General Meeting.
- 3) Directors' Report.
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- 5) Auditors' Report.
- 6) Balance Sheet.
- 7) Profit & Loss Account.
- 8) Schedules to the Balance Sheet and Profit & Loss Account.
- 9) Notes to the Accounts.
- 10) Balance Sheet Abstract and Company's General Business Profile.
- 11) Cash Flow Statement pursuant to Clause 32 of the Listing Agreement and Auditors' report there on.
- 12) Attendance Sheet & Proxy Form.

HEERA ISPAT LIMITED

BOARD OF DIRECTORS

Dineshkumar Samarataji Rao	Managing Director and Chairman
Rameshchandra Tribhuvandas Mistry	Director
Dharmeshkumar Rameshchandra Mistry	Director
Alpesh Kiritbhai Patel	Director
Radheshyam Rampal Lodha	Director
Ramanugrah Singh	Director
Prakash Nemchand Shah	Director
Suhag Vijaykumar Shah	Director

CORPORATE GOVERNANCE TEAM.

AUDIT COMMITTEE.

Shri Ramanugrah Singh	Chairman.
Shri Radheshyam Rampal Lodha	Member
Shri Alpesh Kiritbhai Patel	Member
Shri Nainesh Khandhar	C.A. & Advisor
Shri Kamlesh M. Shah	Company Secretary

INVESTORS SERVICES COMMITTEE

Dharmesh. R. Mistry	Chairman.
Rameshchandra. T. Mistry	Member
Radheshyam R. Lodh	Member
Shri Kamlesh M. Shah	Company Secretary

ACTING IN ADVISORY CAPACITY ONLY TO VARIOUS COMMITTEES OF CORPORATE GOVERNANCE

Secretarial and Corporate Legal Matters

Shri Kamlesh M. Shah,
(Practicing Company Secretary)

Finance, Audit and Taxation Matters

M/s. DJNV & Co.
Chartered Accountants

BANKERS OF THE COMPANY

HDFC BANK LIMITED, Mithkhali Branch,
Ahmedabad

REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

D-153 A| 1st Floor | Okhla Industrial Area, Phase - I | New Delhi-110 020.

Tel. : 011-26812682, 83, 011-64732681 to 88 Fax : 011-26812682 |

Auditors

M/s. DJNV & Co.
Chartered Accountants

Company Law Consultants

M/s. Kamlesh M. Shah & Co.,
Practicing Company Secretary

REGD. OFFICE

206, Ashwarth Complex,
2nd Floor, Opp Fortune Landmark, Usmanpura
Ahmedabad-380013

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER:

SUHAG SHAH

206, Ashwath Complex,
2nd Floor, Opp Fortune Landmark
Usmanpura, Ahmedabad-380013

HEERA ISPAT LIMITED.

NOTICE

NOTICE is hereby given to the Members of Heera Ispat Limited that **21st Annual General Meeting** of the Members of the Company will be held on 15/10/2013 the Tuesday at AHMEDABAD TEXTILE MILLS ASSOCIATION at 10:00 A.M to transact the following Business.

ORDINARY BUSINESS :

1. To Receive, Consider, Approve and Adopt the Audited Statement of Account i.e. The Audited Balance Sheet as at 30/06/2013, the Profit & Loss Account for the Year ended on that date and the report of the Auditors and Directors thereon.
2. To Appoint a Director in place of Mr. Suhag Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint M/s. DJNV & Co., Chartered Accountants, as the Statutory Auditors for the next Financial Year to hold the office as such from the conclusion of this Annual General Meeting up to the date of next Annual General Meeting and to fix their remuneration.

DATE: 08/08/2013
PLACE: Ahmedabad

By Order of the Board of Directors
Of Heera Ispat Limited
Sd/-
(Dinesh Rao)
Managing Director

NOTES

- i) A Member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of him and that a Proxy need not be a member of the Company.
- ii) Proxies in order to be effective should be duly completed in the prescribed form stamped and signed and must be deposited at the Registered office of the company no less than 48 hours before the time fixed for the meeting.
- iii) Members desiring any information as regards account are requested to write to the company at least 7 days before the meeting to enable the management to keep the information ready.
- iv) Members are requested to intimate any change in their registered addresses if any directly at the Registered Office of the Company at their address mentioned elsewhere in this report.

DATE: 08/08/2013
PLACE: Ahmedabad

By Order of the Board of Directors
Of Heera Ispat Limited
Sd/-
(Dinesh Rao)
Managing Director

HEERA ISPAT LIMITED.

DIRECTORS' REPORT

To,
The Members,
HEERA ISPAT LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 21st Audited Annual report of your Company for the financial year ended on 30th JUNE, 2013.

FINANCIAL HIGHLIGHTS:

During the year under review the financial performance of the Company is as under:

Particulars.	(Amount in Rupees)	
	For the Year Ended on 30/06/2013	For the Year Ended on 30/06/2012
Gross Income	100	5436
Total Expenses	7176145	878594
Profit /(Loss) Before Depreciation & Tax	(7176045)	(873158)
Depreciation & Amortisation	353898	1621414
Profit /(Loss) Before Tax	(7529943)	(2494572)
Provision for Tax	NIL	NIL
Excess Income Tax Provision P.Y	NIL	NIL
Net Profit / (Loss) for the Year	(7529943)	(2494572)
Deferred Tax	NIL	NIL
Net Loss for the Year.	(7529943)	(2494572)
Previous year Balance B/f.	(12810627)	(10316055)
Total Loss Transferred to Balance Sheet.	(20340570)	(12810627)

DIVIDEND

As your company has incurred a net loss during the year under review and due to Accumulated loss of the previous year does not permit your directors to declare any amount as dividend to be paid.

UNPAID/UNCLAIMED DIVIDEND

The Company does not have any outstanding unpaid/unclaimed dividend which is required to be transferred to the Investors Education and Protection funds as per the provision of Section 205C of the Companies Act, 1956. The Company does not have any outstanding liability on account of Interest and Principal on Deposits, Debentures or Share Application Money.

SHARE CAPITAL STRUCTURE

During the year the company's 1,70,800 partly paid up shares of Rs.5/-each have become fully paid up. There by making the paid up capital to Rs.58828000/-

BUY BACK OF EQUITY SHARES

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A, 77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

YEAR UNDER REVIEW

During the year Company has not earned any income by way of turnover and by way of other income of Rs 100/- (Previous year was NIL). After all Administrative Expenditure and Depreciation of Rs. 7,530,043/- (Previous year Rs. 2,500,008/-) the company has suffered a gross operational loss of Rs. 7,529,943 (Previous year gross loss of Rs. 2,494,572/-). After making necessary adjustments for Deferred Tax, your Company had suffered a Net loss for the year which is transferred to balance sheet is Rs.20,340,570 /- (Previous year loss of Rs. 12,810,627 /-).

SETTLEMENT/ LIQUIDATION OF FINANCIAL LIABILITIES

The company does not have any settlement/liquidation of Financial Liabilities. It is not a sick company as per audited balance sheet for the current year.

Board of Director of your Company has planning to grow business in manufacturing and selling activities. As the company has incurred loss your Director are thinking to start about new business. .

DEMATERIALISATION OF SECURITIES

Your Company's equity shares are already admitted in the System of Dematerialization by both the Depositories namely NSDL and CDSL. The Company has already signed tripartite Agreement through Registrar and Share Transfer Agent M/s. Skyline Financial Services Pvt Ltd. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to your Company is INE 025D01013.

COMPLIANCE TO CODE OF CORPORATE GOVERNANCE

The Complete Report on Corporate Governance is given separately after this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's discussion and perceptions on existing business, future out look of the industry, future expansion and diversification plans of the Company and future course of action for the development of the Company are fully explained in a separate Para in Corporate Governance Report in Annexure-A forming part of this report and also report on Corporate Governance.

DEPOSITS

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under Section 58A of the Companies Act-1956. The Deposits were accepted from the Directors are exempt as per the provisions of Section 58A of the Companies Act 1956.

DIRECTORS

During the year under review Mr. SUHAG SHAH, shall retire by rotation at the ensuing Annual General Meeting as provisions of Law. He is eligible for reappointment as director and has offered himself for directorship of the company. During the year Mrs. Hasumatiben R. Mistry resigned from the post of Director.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

That in the preparation of the annual accounts, except the Accounting standard if any mentioned by Auditor in his Report as not Complied with , any applicable accounting standards which has been followed and no material departure has been made from the same;

That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the company at the end of the financial year and of the profit or loss of the company for that period;

That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities;

That they have prepared the annual accounts on a going concern basis.

STATUTORY AUDITORS

M/s. DJNV & Co., present Statutory Auditors of the company have given their letter of consent and confirmation under section 224(1B) the Companies Act 1956 for reappointment as Statutory Auditors of the Company. Necessary Resolution making their appointment as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

INTERNAL AUDITORS

In order to make proper compliance with the provisions of Corporate Governance the company has established in house internal Audit Department which is functioning under the close supervision and direction of the Audit Committee and also taking expert guidance/ advise of the statutory Auditors M/s. DJNV & Co., Chartered Accountants from to time to time.

AUDITORS OBSERVATION

As the Company's all fixed assets were not in use during the entire financial year and there was no commercial business activities, your directors have thought it fit and proper not to provide for Deferred Tax for the year. Apart from the same, there was no adverse remark by Auditor In the auditor Report of the company.

FORMATION OF AUDIT COMMITTEE

In order to make part compliance to the Provisions of Section 292A of the Companies Act 1956 and clause 49 of the Listing Agreement on Corporate Governance, your directors have already formed an Audit Committee within the organization consisting of 3 directors, an advisor (Chartered Accountants) to internal audit Department and Practicing Company Secretary as advisors to the company. The area of operations and functional responsibilities

Practicing Company Secretary as advisors to the company. The area of operations and functional responsibilities assigned to the committee are as per the guidelines provided in Clause 49 of the Listing Agreement for implementation of code of corporate governance. The committee meets at least once in a quarter and gives its report of each meeting to the Board for its approval, record and information purpose.

EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs.60,00,000/- in the aggregate if employed for the year and in receipt of the monthly remuneration of Rs. 5,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 and as amended being not applicable are not given in this report.

STATUTORY INFORMATION

The Information required to be disclosed in the report of the Board of Directors as per the provisions of Section 217 (1)(e) of the Companies Act-1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo, etc. are not being given as the Company was totally non operational during the year. In fact there were no commercial business activities, manufacturing activities, no sale or purchase of material etc. during the year. Hence, are not given herewith.

MATERIAL CHANGES

Except the information given in this report there are no material changes have taken place after completion of the financial year up to the date of this report which may have substantial effect on business and finances of the company.

APPRECIATION

Your Directors take this opportunity to acknowledge the trust reposed in your company by its Shareholders, Bankers and Clients. Your Directors also keenly appreciate the dedication & commitment of all our employees, without which the continuing progress of the company would not have been possible.

**For and On Behalf of the Board of
Of Heera Ispat Limited**

**Sd/-
(Mr. Dinesh Rao)
Managing Director**

**Sd/-
(Suhag V. Shah)
Director**

**Place: AHMADABAD
Date: 08/08/2013**

HEERA ISPAT LIMITED

REPORT ON CORPORATE GOVERNANCE

MANAGEMENT PERCEPTION ON CORPORATE GOVERNANCE

The company believes that good Corporate Governance practices enable the Board to direct and control the affairs of the company in an efficient manner. As such, the company steps to put in place the system of Corporate Governance as per the guidelines provided in Clause 49 of the Listing Agreement. Further with the formation of the various committees within the organizations, the company also complies with various provisions of the Companies Act, 1956 as well as SEBI and Stock Exchange requirements. As per the norms prescribed under Listing Agreement being applicable to the company and in compliance to Section 292A of the Companies Act, 1956, the company had partly complied with the code of corporate governance on 30th June 2013.

BOARD COMPOSITION

Name of the Director	Designation	Type	Executive / Non Executive
Mr. Rameshchandra Tribhovandas Mistry	Director	Promoter & Non – Exec Dir.	Non-Executive
Mr. Dharmesh. R. Mistry	Director	Promoter & Exec Dir.	Executive
Mr. Dinesh Rao	Chairman & MD	Non promoter	Executive (not taking remuneration)
Mr. Alpesh Kiritbhai Patel	Director	Non Promoter & Non-Exec Dir.	Independent Non-Executive
Mr. Radheshyam Rampal Lodha	Director	Non Promoter & Non- Exec Dir.	Independent Non-Executive
Mr. Prakash Shah	Director	Independent	Independent Non-Executive
Mr. Ramanugrah Singh	Director	Non Promoter & Non- Exec Dir.	Independent Non-Executive
Mr. Suhag Shah	Director	Non promoter	Executive

HEERA ISPAT LIMITED

COMPOSITION OF COMMITTEES

A. AUDIT COMMITTEE

	Name	Type
1	Shri Ramanugrah Singh	Chairman
2.	Shri Radheshyam Rampal Lodha	Member
3	Shri Alpesh Kiritbhai Patel	Member
4	Shri Nainesh Khandhar*	C.A. & Advisor.
5	Shri Kamlesh M. Shah*	Company Secretary to act as secretary to committee

*(In the Advisory capacity only)

B. INVESTOR GRIEVANCE COMMITTEE

	Name	Type
1	Shri Dharmesh R. Mistry	Chairman
2	Shri Rameshchandra T Mistry	Member
3	Shri Radheshyam Rampal Lodha	Member
4	Shri Kamlesh M. Shah*	Company Secretary to act as Secretary

*(In the Advisory capacity only)

NO. OF BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR:

Name of the Committee	No. of Meetings held
Board	7
Audit Committee of Board	4
Investor Grievance Committee	12

ATTENDANCE OF THE DIRECTORS IN VARIOUS MEETINGS:

	Name of the Director	Board Meeting	ACB Meeting	IGCB Meeting
1	Mr. Rameshchandra Tribhovandas Mistry	7	-	12
2	Mr. Dharmesh. R. Mistry	7	-	12
3	Mr. Dinesh Rao	6	-	-
4	Mr. Alpesh Kiritbhai Patel	7	4	-
5	Mr. Radheshyam Rampal Lodha	7	4	12
6	Mr. Ramanugrah Singh	7	4	-
7	Mr. Prakash Shah	6	-	-
8	Mr. Suhag Shah	5	-	-

HEERA ISPAT LIMITED

DIRECTORS PRESENT AT THE LAST ANNUAL GENERAL MEETING DATED 21st DECEMBER 2012

1. Mr. Radheshyam Rampal Lodha
2. Mr. Suhag Shah
3. Mr. Dinesh Rao
4. Mr. Praksh Shah
5. Mr. Rameshchandra Tribhovandas Mistry
6. Mr. Dharmesh. R. Mistry
7. Mr. Alpesh Kiritbhai Patel
8. Mr. Ramanugrah Singh

DETAILS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST FINANCIAL YEARS

- | | |
|-----------------------|---|
| 1. December 21, 2012 | TEHERI HALL, HAIDRY SOCIETY, NEAR
SESSION COURT, GODHRA-389001 |
| 2. November 30, 2011 | 3/A, VIHWAKARMA, GANDHI CHAUK,
GODHRA, GUJRAT-389001 |
| 3. September 30, 2010 | 3/A, VIHWAKARMA, GANDHI CHAUK,
GODHRA, GUJRAT-389001 |
| 4. September 30, 2009 | 3/A, VIHWAKARMA, GANDHI CHAUK,
GODHRA, GUJRAT-389001 |
| 5. December 29, 2008 | 3/A, VIHWAKARMA, GANDHI CHAUK,
GODHRA, GUJRAT-389001 |

FUNCTIONS OF AUDIT COMMITTEE:

The Audit Committee is headed by Shri Ramanugrah Singh as Chairman and includes other director namely Shri. Radheshyam Rampal Lodha, and Mr. Alpesh K. Patel. The Committee is regularly giving feedback on daily financial and accounting position of the company to the Board. In addition thereto the company has also appointed Mr. Nainesh Khandhar, C.A. as Advisor for Finance, Accounts and Taxation matters and Mr. Kamlesh M. Shah Practicing Company Secretary from time to time. The role of professional advisors has been of an Advisory nature. They do not take part in the proceedings of the committee. However they are giving their expert guidance on making compliance with the Accounting Standards, Financial transactions and accounting and Taxation matters, Company Law and other Corporate Legal Matters etc.

The Committee meets at least once in every quarter and prepare its minutes on the proceedings and business discussed, transacted. All committee Reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record.

HEERA ISPAT LIMITED

Other functions, powers, duties etc. of the committee are defined taking in to account the legal provisions of the Listing Agreement and the same are kept flexible to be decided by the Board from time to time.

ESTABLISHMENT OF THE INTERNAL AUDIT SYSTEM

The company has not established Internal Audit System according to the Annexure to the Auditors Report Clause no 7.

FUNCTIONS OF INVESTORS SERVICES COMMITTEE

This Committee looks in to all aspects and business related to Shares and retail investors. The Committee also looks after the Dematerialization process of equity shares.

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and Securities, maintaining of the complete records of Share Demated, Investors Grievances and complaints received from investors and also from various agencies.

The Committee also take advise and seek legal opinions from advocates to look after the legal cases and problems relating to the investors, shares etc.

The Committee meets every month to approve all the cases of shares demat, transfer, issue of duplicate and resolution of investors complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, Registrar of Companies periodically and from time to time.

Other functions, roles, duties, powers etc. have been clearly defined in line with the Clause 49 of the Listing Agreement and are kept flexible for modification by the Board from time to time.

PASSING OF THE RESOLUTIONS BY POSTAL BALLOT SYSTEM

The Company had passed resolution by means of Postal Ballot at the last Annual General Meeting.

The company had on 29/11/2012-dispatched to all the shareholders a notice dated 20th Oct, 2012 under Section 192A(2) of the Companies Act,1956 for obtaining consent of the shareholders for the following special resolution:

1. Shift the Registered Office of the Company:

FROM: 3/A, Vishwakarma Towers, Gandhi Chowk, Godhra-389001, Gujarat.

TO : 206, Ashwarath Complex, 2nd Floor, Opp. Fortune Land Mark Hotel, Usmanpura, Ahmedabad-380013, Gujarat

HEERA ISPAT LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

(a) PRESENT STRENGTH OF THE COMPANY

The company has made extensive efforts in developing of various products used in casting and construction and automobile industry. The company has strong fixed assets base in the form of land. Once, the market is identified, the management is hopeful of making optimum use of the fixed assets, land, building, plant and machineries etc. available in the company.

(b) FUTURE OUT LOOK

There is strong buoyancy in the market for Automobile Sector. Construction and Infrastructure Industry is also showing good demand of steel. The Steel bars and wires proposed to be manufactured by the Company by using new raw materials, and imported coal, Pig Iron etc. will find a new market for these two industries. There is a bright future for the company. Once, the directors find the proposal commercially viable and receives good orders, the company will immediately start its production unit which would start earning good amount of profit for the company.

(c) COMPANY'S ACTION PLAN

The management of your company is trying to identify and explore all the available possibilities for smooth marketing of the products of steel plants, steel bars, wires for construction industry and cast iron products for automobile industry with best available remunerative prices and also provide after sales service.

WHILSTEL BLOWER POLICY

A. OVER COMING BARRIERS OF CURRENT OPERATIONS

This system is proposed to be established under the chairmanship of Shri Dinesh Rao, and he will be further assisted by chief operational officer (COO) and chief financial officer (CFO). The company's operational department ensures whistle blower upon failure / shut down or breaks down of manufacturing, supply systems and service utilities of its resort project division.

The CFO blows the whistle upon any possible financial crunch or over/extensive financial liabilities. The short term financial management system ensures overcoming any unforeseen liabilities through overdrafts on deposits or temporary borrowing on Inter Corporate deposits basis. The long term financial planning ensures productive use of long term financial funds. The company as far as possible ensures making separation in usage of short term and long term funds.

B. POSSIBLE THREATS TO FINANCIAL SYSTEMS

The company operates in a Steel industry wherein the company is required to make heavy financial investment in products, high cost of manpower which are basically in the nature of revenue (Short Term) but the product being generated is of long term usage and can be marketed over the years which generates revenue in years. Further the

HEERA ISPAT LIMITED

company also faces threats of possible shortage of short term funds due to non completion of final products or delay in completion of the final products.

C. MANAGEMENT'S ACTION PLANS (TO OVERCOME POSSIBLE SYSTEM FAILURES)

These are the areas which are difficult for any management to overcome and control. Even though the company's HRD and technical department ensures performance appraisal of manpower which to some extent help in eliminating this risk.

DISCLOSURES:

A) MATERIALLY RELATED PARTY TRANSACTIONS:

There are no other Group/ Associate Concerns, Companies under the same management. During the year as there was no commercial business activities, there was no related party transactions within the company.

B) DETAILS OF NON-COMPLIANCE

No penalties imposed on the company or any of its directors by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

MEANS OF COMMUNICATIONS

A] ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEMS

The company has established the Management Information System (MIS) whereby each and every functional department submits their performance reports and any type, nature, description of problems to their Functional heads. The functional heads have autonomy for redressal of problems and HRD problems or functional problems at their own level. Any problems requiring policy decisions are being intimated to Audit Committee for redressal or amendments in the policy and procedures. The progress reports are being regularly on monthly basis intimated to the Audit Committee through the Financial Officer of the company who in turn put the same to Audit Committee meetings. All the Investors' grievances or share department related queries are addressed to the Compliance Officer who in turn put the same before the Investors' Grievances Committee.

B] INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD

Both Audit Committee and Investors' Grievances Committees receive periodical regular information from the concerned functional heads, after resolutions of all the problems communicate back the same to functional heads for further communications. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

HEERA ISPAT LIMITED

C] INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS:

The company is regularly taking on record the unaudited financial results on quarterly basis as per requirements of the Clause 41 .The Audited Financial Balance Sheet is being dispatched to all shareholders in time at their registered addresses.

STATUTORY COMPLIANCES MADE AND RETURNS ETC. FILED:

The company has duly complied with the provisions of the Companies Act 1956, all the provisions of the Listing Agreement. The company has also filed various unaudited Financial Results, Balance Sheets, Income Tax returns and other statutory returns with all the authorities in time. There are no defaults as on date in any such compliances and no legal action of any nature has been taken against the company or its officers / directors.

OTHER DETAILS

REGISTERED OFFICE:	206, Ashwarath Complex, 2nd Floor, Opp. Fortune Land Mark Hotel, Usmanpura, Ahmedabad-380013, Gujarat
BOOK CLOSURE DATES :	10/10/2013to 15/10/2013 (Inclusive of both days)
REGISTRAR AND SHARE TRANSFER AGENT.	Skyline Financial Services Pvt Ltd D-153 A Ist Floor Okhla Industrial Area, Phase - I New Delhi-110 020. Tel. : 011-26812682, 83, 011-64732681 to 88 Fax : 011-26812682 Web: www.skylinerta.com

ISIN NUMBER OF THE COMPANY: INE 025D01013.

FINANCIAL CALENDAR

Unaudited Results for the Quarter :	
Ending on 30th September, 2012	: Last Week of October, 2012
Ending on 31st December, 2012	: Last week of January, 2013
Ending on 31st March, 2013	: Last week of April, 2013
Ending on 30th June, 2013	: Last week of July, 2013

HEERA ISPAT LIMITED

DETAILED PROGRAMME OF THE 21st ANNUAL GENERAL MEETING

DATE 15th Oct, 2013
DAY Tuesday
TIME 10:00 A.M to 1.00 P.M
VENUE AHMEDABAD TEXTILE MILLS ASSOCIATION
Opp. City Gold Multiplex, Nr. Atma House,
Ashram Road, Navrangpura, Ahmedabad - 380009

Listing Details

Stock Exchange Code

Equity Shares of the company are listed and traded on
The Stock Exchange, Mumbai
BSE: 526967

MARKET QUOTATIONS:

The Company is traded in Bombay Stock exchange Group B.
The 52 week lowest price was Rs.3.65 and highest was Rs.8.25.
The weighted average price is Rs.6.75 and the weighted total traded value is Rs.0.03 lacs.

SHAREHOLDING PATTERN: as on 30/06/2013

Sr.No.	Category of Shareholders	No. of Shares Held	% of shares held to total Capital of the Company.
(A)	Indian Promoters/ Directors. (All Individuals)	1060900	18.03%
(B)	NON PROMOTERS.		
1	NRIs/FIIs/OCBs	-	-
2	Private Corporate Bodies.	57831	0.98%
3.	Public Individual Shareholders	4763769	80.98%
	Total	5882500	100%

THE PROMOTERS/ DIRECTORS HAVE NOT MORTGAGED/ PLEDGED THEIR SHAREHOLDING.

For and On Behalf of the Board of Directors
Of Heera Ispat Limited
Sd/-

Date: 08/08/2013
Place: AHMADABAD

(Mr. Dinesh Rao)
Managing Director

(Suhag V. Shah)
Director

HEERA ISPAT LIMITED

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

To,
The Members,
Heera Ispat Limited,
Godhra.

I, Dinesh Rao, Chairman of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Clause-49.I.D of the Listing Agreement entered into with Stock Exchange.

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by Auditors is given as an annexure to the Directors' Report.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on

**For and On Behalf of the Board of
Of Heera Ispat Limited**

**Sd/-
(Mr. Dinesh Rao)
Managing Director**

**Sd/-
(Suhag V. Shah)
Director**

**Place: AHMADABAD
Date: 08/08/2013**

HEERA ISPAT LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Mr. Ramanugrah Singh, Chairman of of an Audit Committee of Heera Ispat Limited and Mr. Suhag Shah Director and Compliance Officer of the company, do hereby certify that:

- (a) We have reviewed the financial statement and the cash flow Statement for the year and to the best of our knowledge and belief;
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) these statement together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) As per the best of our knowledge and belief, no transactions entered into by Heera Ispat Limited during the year which is fraudulent, illegal of volatile of the company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Heera Ispat Limited and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. We have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
 - (i) Significant changes in internal controls over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company internal control system.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any.)
- (f) We further declare that all Board Members and senior management have affirmed compliance with the code of conduct for the current year.

**For & On Behalf of the Board of Director of
Of Heera Ispat Limited**

**Date: 08/08/2013
Place: AHMADABAD**

**Sd/-
(Mr.Ramanugrah Singh)
Director**

**Sd/-
(Suhag V. Shah)
Director**

HEERA ISPAT LIMITED

AUDITORS' REPORT ON WITH CORPORATE GOVERNANCE

To
The Members of
Heera Ispat Limited

We have examined the relevant records for the year ended June 30, 2013 relating to the Compliance with the requirement of corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us by the company, we state that in our opinion and to the best of our knowledge, the Company has complied with the mandatory requirements as contained in the Listing Agreement with the Stock Exchanges and as per Section 292A of the Companies Act 1956.

Date: 08/08/2013

Place: Ahmedabad.

**For DJNV & Co.,
Chartered Accountants,**

**SD/-
(Jayesh Parikh)
Partner
Membership No:40650**



INDEPENDENT AUDITOR'S REPORT

To the Members of
HEERA ISPAT LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **Heera Ispat Limited**, which comprise the Balance Sheet as at 30 June 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.

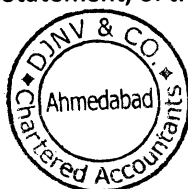
Auditor's Responsibility

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 controls 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 June 30, 2013;
- (b) In the case of statement of Profit and Loss, of the loss for the year ended on that date ;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



58, White House, Panchvati, Ellisbridge,
Ahmedabad - 380006, Gujarat, INDIA
Phone : 2640 2739, 2640 2742 2640 3096
E-mail : info@djnv.in • Website : djnv.in

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 June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 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.

Place : Ahmedabad
Date : 08th August, 2013.

For, DJNV & CO.
Chartered Accountants
Firm Reg. No: 115145W



Jayesh Parikh
(Partner)

Membership No: 40650



ANNEXURE TO THE AUDITOR'S REPORT

- (1) (a) In our opinion and according to the information and explanation given to us, the company has maintained all the relevant records showing full particulars including quantitative details and situation of fixed assets.

(b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the company has disposed off all the fixed assets during the year covered by our report and the Company has so far not made any plans to replace the fixed assets that have been sold. These factors raise a substantial doubt about company's ability to continue as a going concern in the foreseeable future.
- (2) As explained to us, the company had not engaged in any activity during the year under review, thus there was no closing stock at the year end, hence verification of stock and other related matter are not applicable.
- (3) The company has neither granted nor taken any loans, secured or unsecured to or from parties covered in the register maintained under Section 301 of the companies Act, 1956. Accordingly, clauses III (a) to (g) of the Order are not applicable.
- (4) In our opinion and according to the information and explanation given to us, as the company has not engaged itself in any activity, thus the clause does not apply to the company.
- (5) (a) In our opinion and according to the information and explanation given to us, the transactions for the year that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, have so been entered.

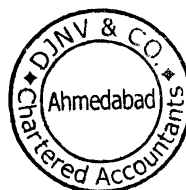
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of the contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs rupees in respect of any party during the year have been reasonable having regard to the prevailing market prices at the relevant time.
- (6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public which falls within the provisions of section 58 A and 58 AA of the Companies Act, 1956, and the rules framed there under.



- (7) According to information and explanations given to us, the company does not have an internal audit system commensurate with the size and nature of its business.
- (8) According to the best of knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost record under section 209 (1)(d) of the Companies Act, 1956.
- (9)(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is regular in depositing undisputed statutory dues including Investor education protection fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other statutory dues to the extent applicable with the appropriate authorities.

According to information and explanation given to us, there are no dues which have not been deposited on account of any dispute as on 31st March, 2011 for a period of more than six months from the date they became payable.

- (b) According to information and explanation given to us, there are no dues in respect of Income Tax, Sales Tax, Excise Duty, ESI, Wealth Tax and Service Tax which have not been deposited on account of any dispute.
- (10) In our opinion, the accumulated losses of the company are not more than fifty per cent of its net worth at the end of the financial year. Further, the company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (11) In our opinion and according to the information and explanation given to us, the company has not taken any loans from a financial institution / bank, thus the clause regarding the repayment is not applicable to the company.
- (12) According to the information & explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (15) According to the information & explanations given to us, the company has not given any guarantees for the loans taken by others from banks or financial institutions
- (16) According to the information & explanations given to us, the company has not taken any term loans during the year.



- (16) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not raised any funds on short term basis.
- (17) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (18) According to the information and explanations given to us, Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (19) The company has not raised any fund by way of public issues during the year.
- (20) Based upon the audit procedures performed and on the basis of information and explanation provided by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For DJNV & CO.
Chartered Accountants
Firm Regn. No. 115145W

J. N. Parikh,

Jayesh Parikh
(Partner)
M. No. 40650

Place : Ahmedabad
Date : 08th August, 2013.



Heera Ispat Ltd.
BALANCE SHEET AS AT 30 JUNE 2013

Particulars	Note No.	As at 30 June 2013 Rs.	As at 30 June 2012 Rs.
<u>EQUITY AND LIABILITIES</u>			
<u>1. Shareholders' Funds :</u>			
a) Share Capital	3	58,828,000	57,974,000
b) Reserves & Surplus	4	(20,340,570)	(12,810,627)
c) Money received against Share Warrants		-	-
		38,487,430	45,163,373
<u>2. Share Application money pending allotment</u>		-	-
<u>3. Non-Current Liabilities :</u>			
a) Long Term Borrowings		-	-
b) Deferred Tax Liabilities (Net)		-	-
		-	-
<u>4. Current Liabilities</u>			
a) Short Term Borrowings	5	-	36,340
b) Trade Payables	14	-	330,000
c) Other Current liabilities	6	82,699	16,236
		82,699	382,576
TOTAL		38,570,129	45,545,949
<u>ASSETS</u>			
<u>1. Non-Current Assets</u>			
a) Fixed Assets :			
(i) Tangible Assets	7	-	6,823,771
(ii) Capital Work in Progress		-	510,300
		-	7,334,071
b) Non-Current Investments		-	-
c) Deferred Tax Assets (Net)		-	-
d) Long-Term Loans and Advance	8	-	37,688,135
e) Trade Receivable		-	-
<u>2. Current Assets</u>			
a) Current Investment		-	-
b) Inventories		-	-
c) Trade Receivables		-	-
d) Cash & Cash Equivalents	9	1,570,129	376,743
e) Short Term Loans and Advances	8	37,000,000	147,000
f) Other Current Assets		-	-
TOTAL		38,570,129	45,545,949
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith
For, DJNV & CO.
Chartered Accountants
Firm Reg. No. 115145W

J. N. Parikh,
Jayesh Parikh
(Partner)
M. No. 40650

Place : Ahmedabad
Date : 08 th August, 2013.

For, Heera Ispat Ltd.

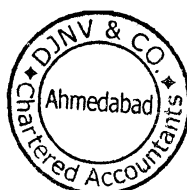
(Signature)

(Signature)

Director

Director

Place : Ahmedabad
Date : 08 th August, 2013.

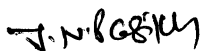


Heera Ispat Ltd.**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30 JUNE, 2013**

Particulars	Note No.	30 June 2013	30 June 2012
INCOME			
Revenue from Operations		-	-
Other Income		100	5,436
Total Revenue (i)		100	5,436
EXPENDITURE			
Cost of materials consumed		-	-
Purchase of Stock in Trade		-	-
(Increase)/ Decrease in inventory of Finished Goods, Work-in-Progress and Traded Goods		-	-
Employee Benefits Expense		-	-
Other Expenses	10	7,176,145	878,594
Total Expenses (ii)		7,176,145	878,594
Earnings before Interest, Tax & Depreciation (EBITD) (i- ii)		(7,176,045)	(873,158)
Depreciation expense	11	353,898	1,621,414
Profit /(Loss) before Tax		(7,529,943)	(2,494,572)
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit/ (Loss) for the year		(7,529,943)	(2,494,572)
Basic & diluted earnings per share	12	-1.28	-0.42
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith
For, DJNV & CO.
Chartered Accountants
Firm Reg. No. 115145W


Jayesh Parikh
(Partner)
M. No. 40650

Place : Ahmedabad
Date : 08 th August, 2013.

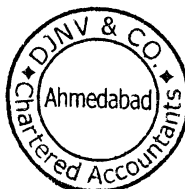
For, Heera Ispat Ltd.

Director

Director

Place : Ahmedabad
Date : 08 th August, 2013.



Heera Ispat Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2013

PARTICULARS	30 June, 2013 Amt (Rs)	30 June, 2012 Amt (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(7,529,943)	(2,494,572)
Non-cash adjustment to reconcile profit before tax to net cash flows		
ADD: Depreciation	353,898	1,621,414
Loss On sale of computer	-	1,167
Loss On sale of Asset	6,436,733	-
LESS: Profit on sale of Vehicle	-	(5,436)
Operating Profit before Working Capital Changes	(739,312)	(877,427)
Movement in Working Capital :		
(Increase) / Decrease in Short term provisions	-	(2,438)
(Increase) / Decrease in Loans & Advances and Deposits	835,135	1,617,545
(Increase)/ Decrease in Trade Payable and current liability	(263,537)	-
(Increase)/ Decrease in Short term borrowings	(36,340)	-
Cash generated from / (used in) operations	535,258	1,615,107
Income Tax Paid	-	-
Net Cash Flow From / (Used in) Operating Activities (A)	(204,054)	737,680
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Fixed Assets	543,440	-
Net Cash Flow From / (Used in) Investing Activities (B)	543,440	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from share capital	854,000	-
Proceeds from Loan Fund	-	804,525
Loan Repaid	-	(1,729,335)
Net Cash Flow From / (Used in) Financing Activities (C)	854,000	(924,810)
Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	1,193,386	(187,130)
Cash & Cash Equivalents at the beginning of the year	376,743	563,873
Cash & Cash Equivalents at the end of the year	1,570,129	376,743

Notes: Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

For, DJNV & CO.
Chartered Accountants
Firm Reg. No. 115145W

J. N. Parikh,
Jayesh Parikh
(Partner)
M. No. 40650

Place : Ahmedabad
Date : 08 th August, 2013.

For, HEERA ISPAT LTD.

Director

Director

Place : Ahmedabad
Date : 08 th August, 2013.



Heera Ispat Ltd.

Notes to financial statements for the year ended 30 June 2013

1. Corporate Information

Heera Ispat Ltd. is a Public Limited Company incorporated in India under the provisions of The Companies Act, 1956. The Company is engaged in business of manufacturing and trading of steels and alloys. The Company caters to domestic market and operates all over India.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006*, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below:

2.1 Summary of significant accounting policies

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repaired maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit & loss when the asset is de recognized.

c. Depreciation on Tangible Fixed Asset

Depreciation on fixed asset is calculated on Written down Value method using the rates prescribed under the Schedule XIV to The Companies Act, 1956.

d. Earnings per share.

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

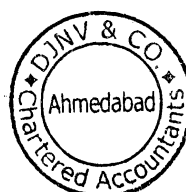
e. Provisions and Contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

f. Cash & Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.



Heera Ispat Ltd.

Notes to Financial Statements for the year ended 30 June 2013

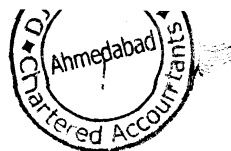
NOTE - 3 SHARE CAPITAL

Particulars	As at 30 June 2013 Amt. (Rs.)		As at 30 June 2012 Amt. (Rs.)	
a) Authorised Shares: 6,000,000 (P.Y.6,000,000) Equity Shares of Rs.10/-	60,000,000		60,000,000	
b) Issued, Subscribed & Fully Paid-up Shares: 5,882,800 (P.Y.5,712,000) Equity Shares of Rs. 10/- each fully paid up Nil (P.Y. 170,800) Equity Shares of Rs. 10/- each, Rs.5/- paid up	58,828,000		57,120,000	
	-		854,000	
TOTAL	58,828,000		57,974,000	
The company has only one class of shares referred to as Equity shares having face value of Rs. 10 /- Each holder of Equity share is entitled to 1 vote per share.				
In the event of liquidation of the company,the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of shares held by the shareholders.				
The details of shareholders holding more than 5% shares as at 30/06/2013 and 30/06/2012 is set out below.				
Name of Shareholder	As at 30 June 2013		As at 30 June 2012	
	No. of shares	% held	No. of shares	% held
Keena Kothari	384,815	6.54%	384,815	6.54%
Haumati Mistry	795,700	13.53%	795,700	13.53%
Devendra Patel	-	-	1,392,288	23.67%
The Reconciliation of the number of shares outstanding and the amount of share capital as at 30/06/2013 & 30/06/2012 is set out below				
Particulars	As at 30 June 2013		As at 30 June 2012	
	No. of shares	Amt. (Rs.)	No. of shares	Amt. (Rs.)
Shares at the beginning	5,882,800	57,974,000	5,882,800	57,974,000
Addition	-	854,000	-	-
Deletion	-	-	-	-
Shares at the end	5,882,800	58,828,000	5,882,800	57,974,000

NOTE - 4 RESERVE & SURPLUS

Particulars		As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)
Surplus/(Deficit) in the Statement of Profit and Loss			
Balance as per Last Financial Statement		(12,810,627)	(10,316,055)
Add : Loss for the year		(7,529,943)	(2,494,572)
Net Surplus/ (Deficit) in the Statement of Profit and Loss		(20,340,570)	(12,810,627)
TOTAL		(20,340,570)	(12,810,627)



NOTE NO =7**TANGIBLE ASSETS**

Cost of Valuation	LAND	FACTORY BUILDING	OFFICE BUILDING	PLANT & MACHINERY	FURNITURE & FIXTURES	VEHICLES	COMPUTER	TOTAL
As at 30 June 2011	512,462	3,521,150	135,000	9,043,979	25,047	413,010	95,550	13,746,198
Addition	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	413,010	95,550	508,560
Other Adjustment	-	-	-	-	-	-	-	-
As at 30 June 2012	512,462	3,521,150	135,000	9,043,979	25,047	-	-	13,237,638
Addition	-	-	-	-	-	-	-	-
Disposal	512,462	3,521,150	135,000	9,043,979	25,047	-	-	13,237,638
Other Adjustment	-	-	-	-	-	-	-	-
As at 30 June 2013	-	-	-	-	-	-	-	-

Depreciation	LAND	FACTORY BUILDING	OFFICE BUILDING	PLANT & MACHINERY	FURNITURE & FIXTURES	VEHICLES	COMPUTER	TOTAL
As at 30 June 2011	-	1,072,443	21,903	3,685,070	13,037	283,446	82,383	5,158,282
Charge for the year	-	352,115	6,750	1,258,016	4,533			1,621,414
Disposal	-	-	-	-	-	283,446	82,383	365,829
Other Adjustment	-	-	-	-	-	-	-	-
As at 30 June 2012	-	1,424,558	28,653	4,943,086	17,570	-	-	6,413,867
Charge for the year	-	157,244	3,988	191,651	1,015	-		353,898
Disposal	-	1,581,802	32,641	5,134,737	18,585	-	-	6,767,765
Other Adjustment	-	-	-	-	-	-	-	-
As at 30 June 2013	-	-	-	-	-	-	-	-

NET BLOCK								
As at 30 June 2012	512,462	2,096,592	106,347	4,100,893	7,477	-	-	6,823,771
As at 30 June 2013	-	-	-	-	-	-	-	-

NOTE - 5 LONG TERM BORROWINGS

Particulars	Non Current		Current	
	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)
Loans & Advances from related parties - Unsecured	-	-	-	36,340
TOTAL	-	-	-	36,340

NOTE - 6 OTHER CURRENT LIABILITIES

Particulars	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)
Other Payables	82,699	16,236
TOTAL	82,699	16,236

NOTE - 8 LOANS & ADVANCES

Particulars	Long Term		Short Term	
	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)
(A) Capital Advances				
Unsecured, Considered Good (A)	-	37,488,135	-	-
	-	37,488,135	-	-
(B) Advances Recoverable in Cash or Kind				
Unsecured, Considered Good (B)		200,000	37,000,000	-
	-	200,000	37,000,000	-
(C) Other Loans & Advances				
(i) Other Advances (C)	-	-	-	147,000
	-	-	-	147,000
TOTAL (A+B+C)	-	37,688,135	37,000,000	147,000



NOTE - 9 CASH AND CASH EQUIVALENTS

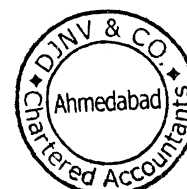
Particulars	Non Current		Current	
	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)	As at 30 June 2013 Amt. (Rs.)	As at 30 June 2012 Amt. (Rs.)
Cash and Cash Equivalents				
Balances with Bank:				
- On Current Accounts	-	-	416,460	25,449
Cash on Hand	-	-	1,153,669	351,294
TOTAL	-	-	1,570,129	376,743

NOTE - 10 OTHER EXPENSES

Particulars	30 June 2013 Amt. (Rs.)	30 June 2012 Amt. (Rs.)
Depository Fees	64,479	49,635
General Charges	547,271	73,198
Listing Fees	116,426	744,525
Loss on Sale of Asset	6,436,733	-
Payment to Auditors		
Audit Fees	11,236	11,236
TOTAL	7,176,145	878,594

NOTE - 11 DEPRECIATION EXPENSE

Particulars	30 June 2013 Amt. (Rs.)	30 June 2012 Amt. (Rs.)
Depreciation of Tangible Assets	353,898	1,621,414
TOTAL	353,898	1,621,414



HEERA ISPAT LTD.**NOTE 12 - EARNINGS PER SHARE**

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Particulars	Year ended 31-06-2013	Year ended 31-06-2012
Net Profit / (Loss) attributable to	(7,529,943)	(2,494,572)
Weighted average no. of. Equity Shares	5882800	5882800
Basic earning per share	-1.28	-0.42

NOTE 13 - RELATED PARTY DISCLOSURE**Related Parties with whom transactions have taken place during the year****Key Managerial Personnel**

- 1) Ramesh Mistry
- 2) Hasumati Mistry
- 3) Dharmesh Mistry
- 4) Alpesh Patel
- 5) Radheshyam Lodha
- 6) Ramanugrah Rambahalsingh

Name	Relationship	Nature of transaction	Transaction during the year		Outstanding Amount	
			2013	2012	2013	2012
Alpesh Patel	Director	Loan taken	-	-	-	-
		Loan repaid	-	40,000	-	-
Khyati Finance	Sister Concern	Loan taken		804,525		
		Loan repaid	36,340	1,566,000	-	36,340
Dharmesh Mistry	Director	Sale of Asset	-	147,000		

NOTE 14 - Dues to Micro and Small Enterprises as defined under the MSMED Act , 2006

There are no dues to Micro & Small Enterprises as defined under the MSMED Act, 2006

For, DJNV & Co.

Chartered Accountants
Firm Reg. No.: 115145W

J. N. Parikh
Jayesh Parikh
(Partner)
M.No.:40650

For, Heera Ispat Ltd.

Director *Director*
Director Director

Place : Ahmedabad

Date : 08 th August, 2013.



HEERA ISPAT LIMITED

ATTENDANCE SLIP

I Shri/Smt. _____ of _____

being a member/ proxy of HEERA ISPAT LIMITED do hereby record my presence at the 21st Annual General Meeting of the members of the Company to be held on Tuesday the 15th Oct,2013, at 10 am at AHMEDABAD TEXTILE MILLS ASSOCIATION, Opp. City Gold Multiplex, Nr. Atma House, Ashram Road, Navrangpura, Ahmedabad - 380009

Name of Shareholder

Ledger Folio No

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held

Date:

Place:

(Signature of the Member/

Proxy attending the meeting)

HEERA ISPAT LIMITED

PROXY FORM

Name of Shareholder

Ledger Folio No

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held

I Shri/Smt. _____ being a member of HEERA ISPAT LIMITED, holding _____ Shares in the company do hereby appoint Shri _____ of _____ or failing him Shri _____ of _____ or failing him Shri _____ of _____ to remain present at the 21st Annual General Meeting of the members of the Company to be held on Tuesday the 15th Oct, 2013 at 10am at AHMEDABAD TEXTILE MILLS ASSOCIATION, Opp. City Gold Multiplex, Nr. Atma House, Ashram Road, Navrangpura, Ahmedabad - 380009 or at any adjournment thereof and to vote for and on my behalf if poll is granted.

Affix Rs 1/- revenue stamp

Date:

Place:

(Signature of the member
appointing a Proxy)