

HEERA ISPAT LIMITED

25TH AUDITED ANNUAL REPORT
FOR THE YEAR 2016-17

COMPANY REGISTRATION NO: 04-018101
CIN NO: L27101GJ1992PLCO18101
Registered with Registrar of Companies, Gujarat State

HEERA ISPAT LIMITED

REGD.OFFICE: 206, ASHWARATH COMPLEX, 2ND FLOOR
OPP, FORTUNE LANDMARK HOTEL,
USMANPURA, AHMEDABAD
GUJARAT-380013

E MAIL ID: info@heeraiapat.com

NOTE TO THE 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

CIN: L27101GJ1992PLCO18101

DATE OF INCORPORATION: 05/08/1992

COMPANY REGN NUMBER: 04-018101

NOMINAL SHARE CAPITAL:Rs.60,000,000/-

HEERA ISPAT LIMITED25TH ANNUAL GENERAL MEETING - PROGRAMME.DATE : 30TH SEPTEMBER 2017

DAY : SATURDAY

TIME : 09.30 A.M

VENUE : 206, Ashwarath Complex, 2nd Floor,
Opp. Fortune Landmark Hotel, Usmanpura,
Ahmedabad -380013 GUJARAT INDIA

NOTE TO SHAREHOLDERS:

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HEERA ISPAT LIMITED

BOARD OF DIRECTORS

Dineshkumar Samarataji Rao	Managing Director and Chairman
Rameshchandra Tribhuvandas Mistry	Non-Executive Director
Dharmeshkumar Rameshchandra Mistry	Non-Executive Director
Alpesh Kiritbhai Patel	Independent Director
Radheshyam RampalLodha	Independent Director
Prakash Nemchand Shah	Independent Director
Suhag V. Shah	Chief Financial Officer (W.e.f. 31/03/2017)
Khyati D. Vyas	Company Secretary (W.e.f. 31/03/2017)

Secretarial Auditors and Corporate Legal Matters

Shri Kamlesh M. Shah & Co.,
(Practicing Company Secretary)

Taxation And Statutory Auditors

M/s. DJNV & Co.
(Chartered Accountants)

Bankers Of The Company

HDFC BANK LIMITED
Mithakhali Branch,
Ahmedabad, Gujarat.

Registrar And Share Transfer Agent

Skyline Financial Services Pvt. Ltd
D-153/A, First Floor, Okhla Industrial Area, Phase-1,
New Delhi 110 020.
Tel.: +91 11 26812682-83, 011-64732681 to 88
Fax : +91 11 26812682
Web: www.skylinerta.com

REGD. OFFICE

206, Ashwarath Complex,
2nd Floor, Opp, Fortune Landmark Hotel,
Usmanpura, Ahmedabad,
Gujarat:380013

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER

Dharmeshkumar R. Mistry
B/1, Aradhana Society,
Nr. Jay National Society,
Naranpura Char Rasta,
Ahmedabad, Gujarat.

NOTICE

NOTICE is hereby given to the Members of Heera Ispat Limited that 25th Annual General Meeting of the Members of the Company will be held on Friday the 30th September, 2017 at 09.30 A.M at Heavy Metal House, 1 Vijayvihar Society, Opp. Childcare Hospital, Navrangpura, Ahmedabad 380 009, Gujarat 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 31/03/2017, 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. Dineshkumar S. Rao (DIN: 06379029), who retires by rotation and being eligible offers himself for reappointment.
3. To Confirm and ratify the appointment of Statutory Auditors M/s. DJNV & Co., Chartered Accountants, as a statutory Auditor for the Company for the next financial year and to hold the office as such from the date of conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

RESOLVED THAT pursuant to provisions of Section 139 (1) and other applicable provisions of the Companies Act 2013 read with Rule 4 and 6 of the Companies (Audit and Auditors) Rules 2014 as in force, the consent of the members of the Company be and is hereby accorded to for the confirmation and ratification of Appointment of M/s DJNV & Co., a firm of Chartered Accountants (CA FIRM Registration Number:115145W and CA Member No: 40650), as Statutory Auditors of the Company for the next financial year i.e. for the financial years 2017-2018, and to fix their remuneration as per section 139(2) of the Companies Act 2013.

DATE : 30th May, 2017
PLACE: Ahmedabad.

By order of the Board of Directors of
Heera Ispat Limited

(Dineshkumar S. Rao)
Chairman and Managing Director
DIN : 06379029

The Register of Members of the Company will remain closed from 23/09/2017 TO 30/09/2017 (both days inclusive).

NOTES:

- 1) A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and that a proxy need not be a member of the company.
- 2) Proxies in order to be effective must be received at the Company's Registered Office not later than 48 hours before the time fixed for the starting of the meeting. Proxies submitted on behalf of limited companies, societies, Trusts, etc., must be backed by appropriate resolution / authority letter as applicable, issued on behalf of the Nominating Organization.
- 4) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 5) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (LODR) REGULATION 2015 (Including any Statutory Modification or re-enactment thereof for the time being in force), the Company is providing e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. The instructions for e-voting are enclosed herewith.
- 6) Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 7) The Register of members and share transfer books of the Company shall remain closed from 23/09/2017 TO 30/09/2017 (Both days inclusive) as per the provisions of section 108 of the Companies Act 2013 read with Rule 20(3)(6) of the Companies (Management and Administration) Rules 2014 and the Regulations of SEBI (LODR),2015.
- 8) Members desiring any information on accounts are requested to write to the company 7 days before the meeting to enable the management to keep the information ready.
- 9) Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agent, System Support Service Shareholders holding shares in electronic form must advise to their respective depository participants about change in address and not to company.
- 10) All shareholders are requested to dematerialize their shareholding immediately as the shares are traded compulsorily in demat segment only.
- 11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members

holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

- 12) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- 13) The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2017 is uploaded on the Company's website www.Heeraispat.com and may be accessed by the members.
- 14) Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 are being sent in the permitted mode.
- 15) Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 16) Instructions for e-voting: In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Regulation 44 of the SEBI (LODR), 2015, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. "HEERA ISPAT LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. (6 Digit Alpha-Numeric)
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> · Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. · In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> · Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> i.e. The HEERA ISPA LIMITED, on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sr. no. (i) to sr. no. (xvii) above to cast vote.

General Instructions:

- a. The voting period begins on 27th September 2017 at 09.00 A.M. and ends on 29th September, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 23rd September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The EVSN Number for e.voting generated on the website www.evotingindia.com is 170906032.
 - b. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - c. Mr.Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - d. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (xviii) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.heeraiapat.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the ASE and BSE Limited.
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INFORMATION ABOUT THE DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/ RE-APPOINTED AT THE 25th ANNUAL GENERAL MEETING [Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015] FORMING PART OF THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY.

Particulars	Mr. Dineshkumar S. Rao
Director Identification Number	02489175
Date of Birth.	10/11/1973
Age.	44 Years
Educational Qualification.	Graduated
Experience (No. of Years)	23 Years
Business field in which Experience.	Steel Business
Date of Appointment as Director in the Company.	15/09/2012
Member of any Committees of the Directors in the Company.	Investor Grievance Committee (Chairman)
Member of any committees of the Directors in other Companies with names of the Company.	N.A.
Member of any Trade Association/ Charitable Organization/ NGOs etc.	N.A.

DATE : 30th May, 2016
PLACE: Ahmedabad.

By order of the Board of Directors of
Heera Ispat Limited

Sd/-
(Dinesh Rao)
Chairman and Managing Director
DIN: 06379029

DIRECTORS' REPORT

To,
The Members,
HEERA ISPAT LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 25th Audited Annual report of your Company for the financial year ended on 31ST MARCH, 2016

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 31/03/2016	For the Year Ended on 31/03/2015
Gross Income	13,54,603	22,72,901
Total Expenses	8,09,669	12,86,882
Profit /(Loss) Before Depreciation & Tax	5,44,934	9,86,019
Profit Before Tax	5,44,934	9,86,019
Current Tax	1,81,000	2,75,000
Income Tax Provision P.Y	38,336	99,022
Net Profit / (Loss) for the Year	3,25,598	6,11,997
Deferred Tax Assets (Previous year liabilities)	NIL	NIL

SHARE CAPITAL STRUCTURE

There was no change in total value of Authorized, Issued, Subscribed and Paid up Share Capital Structure of the Company.

DIVIDEND

During the year under review the directors have not recommended any Dividend to be paid in order to strengthen the long term resources of the Company.

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 Companies Act,2013. The Company does not have any outstanding liability on account of Interest and Principal on Deposits, Debentures or Share Application Money.

YEAR UNDER REVIEW

During the year Company has not earned any Business income. However it has earned other income of Rs. 13,54,603. After deduction of all Administrative and other Expenditure of Rs. 8,09,669/- (Previous year Rs 12,86,882/-) the company has earned a gross operational profit of Rs. 5,44,934/- (Previous year gross Profit of Rs. 9,86,019 /-) After making necessary adjustments for Income Tax Earlier years, Your Company had earned a Net Profit for the year of Rs. 3,25,598/- which is carried to balance sheet.

DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not given inter corporate loans to any other Body Corporate however Company has not made any investments and has not given any corporate guarantee.

DEPOSITS

During the year under review your company has neither invited nor accepted any public deposit as defined under Section 73 to 76 of the Companies Act, 2013.

CORPORATE GOVERNANCE

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2017, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite Certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report. The Company is exempted from providing report on Corporate Governance in accordance with regulation 34(3) and schedule V(C) to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

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 Private Limited. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to your Company is INE025D01013. Total Share dematerialized up to 31st March 2017 were 42,73,800 which constitute 72.65% of total capital. Your Directors request all the shareholders to dematerialize their shareholding in the company as early as possible.

COMPLIANCE WITH THE STOCK EXCHANGE SEBI (LODR), 2015:

The company is regular in making timely compliance of all the applicable clauses of the Listing Agreement from time to time whether it is event based compliance or time bound compliance of monthly, quarterly, half yearly or yearly compliances. Your Company has already paid Annual Listing fees of the Bombay stock exchange Limited for and up to the financial year 2017-2018. The Trading in equity shares of the Company is active on the Bombay Stock Exchange Limited and the same is not suspended for any penal reasons by BSE during the year. The Trading platform of the Ahmedabad Stock Exchange Limited has been suspended/ cancelled by SEBI hence, no trading is recorded.

Management's Discussion And Analysis

Management's discussion and perceptions on existing business, future outlook 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.

DIRECTORS

During the year under review Mr. Dineshkumar S. Rao shall retire by rotation at the ensuing Annual General Meeting as per the provisions of Law. They are eligible for reappointment as director and have offered themselves for directorship of the company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 27 of the SEBI (LODR), 2015 with the Stock Exchanges. Members are requested to refer to the Notice of the Annual General Meeting.

MANAGING DIRECTOR

Mr. Dinesh kumar S. Rao is the Managing Director of the Company.

Formation of Audit Committee in Compliance to Provisions of the Companies Act, 2013 AND REGULATION 27 OF SEBI (LODR), 2015 ON CORPORATE GOVERNANCE:

In Compliance with the provisions of the Companies Act 2013 your company has formed an Audit Committee within the Organization consisting of 3 independent directors. An Internal Auditors have been appointed as Advisors in their professional capacity on this committee. 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 purposes. The detail of powers, responsibilities and system of functioning of this committee is given in report on Corporate Governance forming part of this report.

Material Changes

Except the information given in this report, 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.

EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs.1.02 Cr. annually in the Aggregate if employed for the year and in receipt of the Monthly remuneration of Rs. 8,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under) being not applicable and hence not given in this report.

SETTLEMENT/ LIQUIDATION OF FINANCIAL LIABILITIES

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

DISCLOUSER AS PER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014

i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Total Remuneration expenses: Rs. 1,50,000/-

Managerial Remuneration Expenses: Rs. NIL/-

Other Director Remuneration: Rs. 1,50,000/-

ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

No remuneration is given during the year for any of the Key Managerial Personnel, CFO, CEO, CS or Manager.

iii) The percentage increase in the median remuneration of employees in the financial year

During the year there was fresh recruitment of the employees of the company so there is no increase in the salary of the employees

iv) The number of permanent employees on the rolls of company 2;

v) The explanation on the relationship between average increase in remuneration and company performance;

There is increase of 0% in the average Remuneration of the employees, whereas Company is still a loss making one. So there is no any direct relationship between the average increase in remuneration and company's performance.

vi) Comparison of the remuneration of the Key managerial personnel against the performance of the company ;

The KMP i.e. Managing Director is not paid any managerial Remuneration. Hence, his remuneration is not comparable inter company, intra company or inter industry as a whole.

vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Closing Market Price of shares of Company as on 31/03/2016: Rs. -/-

Closing Market Price of shares of Company as on 31/03/2017: Rs. 2.33-

Earning Per share for the financial year ended on 31/03/2016:Rs. 0.10/-

Earning per share for the financial year ended on 31/03/2017: Rs. 0.06/-

As the Company EPS is very minimal, the PE Ratio is Minimum.

viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration

and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration ;

NOT APPLICABLE as there was no increase in Remuneration of any employees of the company or the Managerial Personnel of the Company.

ix) Comparison of the each remuneration of the key managerial personnel against the performance of the company;
Not Comparable.

x) The key parameters for any variable component of remuneration availed by the directors;
NOT APPLICABLE.

xi) The ratio of the remuneration of the highest paid director to the of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and No employee is receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.

xii) Affirmation that the remuneration is as per the remuneration policy of the company. All remuneration of the Employees and directors are decided by Nomination & Remuneration Committee and by the Board of Directors within the organization.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of Companies Act, 2013 your Directors declare that:

- i) In preparation of the annual accounts, *as far as possible and except to the extent if any accounting standards mentioned by the auditors in their report as not complied with*, all other applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and after the profit or loss of the company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis.
- v) The Directors, in the case of listed company, had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The Director had devised proper system to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION AS TO INDEPENDENT DIRECTORS: (Pursuant to Provisions of section 149(6) of the Companies Act 2013).

All the Independent Directors of the Company do hereby declare that:

- (1) All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.
- (2) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (3) Who are or were not a Promoter of the Company or its Holding or subsidiary or associate company.
- (4) Who are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (5) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (6) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,
- (7) Who neither himself, nor any of his relatives,
 - (a) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.
 - (b) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed of
 - (i) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; OR
 - (ii) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent, or more of the gross turnover of such firm;
 - (iii) Holds together with his relatives two per cent, or more of the total voting power of the company; OR
 - (iv) Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; OR
 - (v) Who possesses such other qualifications as may be prescribed.

DECLARATION BY BOARD AS PER REQUIREMENT OF SECTION 178

In compliance with Section 178 (1) as also in compliance with Regulation of SEBI (LODR),2015, the Board of Directors does hereby declare that:

- a. The Company has proper constitution of the Board of Directors including independent directors in proportion as per requirement of Regulation of SEBI (LODR),2015.
- b. The Company has constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee as per requirements of the regulation of SEBI (LODR),2015 and provisions of the Companies Act 2013.
- c. The Company has the policy for selection and appointment of independent directors who are persons of reputation in the society, have adequate educational qualification, sufficient business experience and have integrity & loyalty towards their duties.
- d. The Company is not paying any commission on net profits to any directors.

AUDITORS**STATUTORY AUDITORS**

DJNV & CO., Chartered Accountants, Present Statutory Auditors of the company has given their letter of consent and confirmation under section 141(1) the Companies Act 2013 for appointed as Statutory Auditors of the Company. The Board has now proposed to appoint the Statutory Auditors for a period next 5 Financial year as per requirements of section 139 (1) of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014. Necessary Resolution for their Ratification of appointment as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

INTERNAL AUDITORS

The company is in process of appointing an independent Chartered Accountant to act as an Internal Auditor as per suggestion of auditors in order to strengthen the internal control system for the Company. However, as in the company during the previous financial year, there were no much financial transactions or trading business activities, looking to the size of the company and its business operations and transactions, the matter is being discussed with the statutory auditors on making of compliance with this requirements.

SECRETARIAL AUDITOR

The Company has appointed M/s. KAMLESH M SHAH & SHAH CO. as the secretarial auditor for the financial year 2016-17. They have given their report in the prescribed form MR-3 which is annexed to this report as an ANNEXURE.

AUDITORS OBSERVATION

THERE ARE NO ADVERSE OBSERVATIONS MADE BY THE AUDITORS IN THEIR REPORT. HOWEVER NOTES TO THE ACCOUNTS TO ITSELF ARE CLARIFICATORY AND SELF EXPLANATORY IN THE NATURE.

APPRECIATION

The 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.

DATE : 30th May, 2017
PLACE: Ahmedabad

On Behalf of the Board of Directors of
Heera Ispat Limited

(Dinesh S. Rao)
Chairman and Managing Director
DIN: 06379029

ANNEXURE TO THE DIRECTORS REPORT

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDING ON 31/03/2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- 1) CIN :- L27101GJ1992PLCO18101
- 2) Registration date: 05/08/1992
- 3) Name of the company : HEERA ISPAT LIMITED
- 4) Category/ sub-category of the company: Company limited by shares/ ~~Indian Non Government Company~~
- 5) Address of the registered office and contact details: 206, Ashwarath Complex, 2nd Floor, Opp. Fortune Landmark Hotel, Usmanpura, Ahmedabad-380013, Gujarat
- 6) Whether listed company: YES
- 7) Name, address and contact details of registrar and transfer agent (if any) :- Skyline Financial Services Pvt. Ltd
D-153/A, First Floor, Okhla
Industrial Area, Phase-1,
New Delhi 110 020.
Tel.: +91 11 26812682-83,
011-64732681 to 88
Fax : +91 11 26812682
Web: www.skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SR. No.	Name and descriptions of main products/ services	NIC Code of the product/ Service	% to Total turnover of the company
1	STEEL MANUFACTURING	0	0%
2.	INTEREST INCOME	65	100%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	CONCERN	% of shares held by COMPANY	APPLICABLE SECTION
NIL	NIL	NIL	NIL	NIL	NIL

II. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)*i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	0	1060900	1060900	18.03	0	1060900	1060900	18.03	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	00	0	0	0	00	0	0	0	0
Sub Total (A) (1)	0	1060900	1060900	18.03	0	1060900	1060900	18.03	0
(2) Foreign									
a) NRI- Individual	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks. FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	1060900	1060900	18.03	0	1060900	1060900	18.03	0
B. Public Shareholding									

1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	30442	400	30842	0.52	22683	400	23083	0.52	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	404043	372600	776643	13.20	509556	455500	965056	13.20	0
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3652811	198700	3851511	65.47	3741561	92200	3833761	65.47	0
c) Others (specify)									
Hindu Undivided Families	162904	0	162904	2.77	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	4250200	571700	4821900	81.97	4250200	571700	4821900	81.97	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4250200	571700	4821900	81.97	4250200	571700	4821900	81.97	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4250200	1632600	5882800	100	4273800	1609000	5882800	100	0

(ii) Shareholding of promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dharmendra Mistry	1,15,700	1.97	0	1,15,700	1.97	0	0
2	Hasumati R Mistry	7,95,700	13.53	0	7,95,700	13.53	0	0.00
3	Ramesh Mistry	1,49,500	2.54	0	1,49,500	2.54	0	0
	Total	10,60,900	18.03	0	10,60,900	18.03	0	0

(iii) Change in Promoter's Shareholding (Please Specify, If There Is No Change)

There is No change in the shareholding of the promoters during the financial year 2015-16

(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Keena M Kothari	384815	6.54	384815	6.54
2	Dimple Shah	211000	3.59	211000	3.59
3	Hetal D Shah	210000	3.57	210000	3.57
4	Rajeshkumar Patel	200000	3.40	200000	3.40
5	Chintan H Chowdary	175000	2.97	175000	2.97
6	KinjalChintanChowdary	175000	2.97	175000	2.97
7	Harilal V Chowdary	175000	2.97	175000	2.97
8	Kamala H Chowdary	175000	2.97	175000	2.97
9	Pankaj Dahyalal Shah	160000	2.72	160000	2.72
10	Daxesh Dahyalal Shah	158000	2.69	158000	2.69
	TOTAL	2023815	34.39	2023815	34.39

(v) Shareholding of directors and key managerial personnel:

1	Mr. Rameshchandra Mistry	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,49,500	2.54	1,49,500	2.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	(No change)	(No Change)	(No Change)	(No Change)
		-	-	-	-
		-	-	-	-
	At the end of the year	1,49,500	2.54	1,49,500	2.54

2	Mr. Dharmeshkumar Mistry	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,15,700	1.97	1,15,700	1.97
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(No change)	(No Change)	(No Change)	(No Change)
		-	-	-	-
		-	-	-	-
	At the end of the year	1,15,700	1.97	1,15,700	1.97

(vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL

Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. DINESHKUMAR SAMARATAJI RAO	NIL
1	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5		NIL	NIL
	Total (A)	NIL	NIL

B. Remuneration to other directors:

SN.	Particulars of Remuneration				
1	Independent Directors	Mr. Alpesh Patel	Mr. Radheshyam Lodh	Mr. Prakash Shah	
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify (Remuneration)	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL

2	Other Non-Executive Directors	Mr. Dharmeshkumar Mistry	Mr. Rameshchandra Mistry		
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	
	Others, please specify	NIL	NIL	NIL	
	Total (2)	NIL	NIL	NIL	
	Total (B)=(1+2)	NIL	NIL	NIL	
	Total Managerial Remuneration	NIL	NIL	NIL	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

The Company does not have Company Secretary in Job, CEO/CFO. So they are not paying any Remuneration.

SN	Particulars of Remuneration	Key Managerial Personnel		
		KHYATI D. VYAS	SUHAG V. SHAH	Total
1	Gross salary	N.A.	1,50,000	N.A.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
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A. COMPANY

Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No

B. DIRECTORS

Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No

C. OTHER OFFICERS IN DEFAULT

Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No

MANAGEMENT DISCUSSION AND ANALYSISPRESENT STRENGTH OF THE COMPANY

The company has made extensive efforts in developing of various products used in steel and is working to survive in the business.

(b) FUTURE OUTLOOK:

In Construction and Infrastructure Industry there is 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 receive 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 plates, steel bars, wires for construction industry and cast iron products for automobile industry with best available remunerative prices and also provide after sales service.

The Company is looking forward to the approval from Bombay Stock Exchange for the scheme of Amalgamation where in the company has filed composite scheme of arrangement for re-organization of share capital of Heera Ispat Limited and amalgamation of Heavy Metal & Tubes Limited (transferor company) with Heera Ispat Limited (transferee company)

The present business of Heavy Metal & Tubes Limited is to carry on the business into manufacture, ferrous, non-ferrous, iron and steel, stainless steel, carbon, steel and alloy steel pipes and tubes.

The line of business of Heera Ispat Limited & Heavy Metal & Tubes Limited is same. Due to the lack of working capital facilities and low profitability, the operations of Heera Ispat Limited have come to a standstill since last few years. The merger will bring in synergy in operations of Heera Ispat Limited and Heavy Metal & Tubes Limited. Heera Ispat Limited has accumulated losses and presently the company is having minimal business activity and assets. The scheme seeks to reconstruct the issued, subscribed and paid up capital of the Transferee Company and merge the business of the Transferor Company along with all its assets and liabilities into the Transferee Company.

It would be very difficult to carry on business by Heera Ispat Limited in the current scenario and business conditions. By virtue of the proposed scheme, Heera Ispat Limited will be able to garner the all resources available with the Transferor Company. This will facilitate the business activities of Heera Ispat Limited and ultimately benefit the shareholders.

The Transferor Company i.e. Heavy Metal & Tubes Limited has good amount of resources and is carrying on the business in steel since 1991. Heavy Metal & Tubes Limited has positioned itself well in the market to

carry on the business activity. By virtue of the proposed scheme the shareholders of the transferee company i.e. Heeralpat Limited shall get the better value of their shares in the company. The shareholders of Heeralpat Limited shall get liquidity and exit option.

DATE : 30th May, 2017

PLACE: Ahmedabad

On Behalf of the Board of Directors of
Heera Ispat Limited

(Dinesh Rao)
Chairman and Managing Director
DIN : 06379029

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

To,
The Members,
Heera Ispat Limited,

I, Dinesh S. 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 Regulation 27 of SEBI (LODR),2015 entered into with Stock Exchange.

As required by Regulation 27 of SEBI (LODR),2015, 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

DATE : 30th May, 2017
PLACE: Ahmedabad.

On Behalf of the Board of Directors of
Heera Ispat Limited

(Dinesh Rao)
Chairman and Managing Director
DIN: 06379029

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

We, Mr. Dinesh S. Rao, Chairman & Managing Director of Heera Ispat Limited and Mr. Suhag Shah Chief Financial 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 or 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.

DATE : 30th May, 2017
PLACE: Ahmedabad

On Behalf of the Board of Directors of
Heera Ispat Limited

(Dinesh S. Rao)
Chairman & Managing Director
DIN: 06379029

(Suhag V. Shah)
CFO

AUDITORS' REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of
Heera Ispat Limited

We have examined the compliance of conditions of Corporate Governance by Heera Ispat Limited, for the period ended on 31st March, 2017 as stipulated in Regulation of SEBI (LODR), 2015 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 procedure and implementation thereof, adopted by the Company for ensuring the compliance with 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 requirements and conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the company.

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.

Date: 30thMay, 2017
Place: Ahmedabad

For DJNV& Co.,
Chartered Accountants,

(DEVANG DOCTOR)
Partner
Membership No:40650

FORM NO. MR-3**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
HEERA ISPAT LIMITED
CIN: L27101GJ1992PLCO18101

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HEERA ISPAT LIMITED**. (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the records of **HEERA ISPAT LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31ST March 2017 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **HEERA ISPAT LIMITED** (CIN: L27101GJ1992PLCO18101) for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Training)Regulations,1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India(Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009 and
 - (h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998;
- (vi) As stated in the Annexure – A – all the laws, rules, regulations be applicable specifically to the company.

OTHER LAWS SPECIFICALLY APPLICABLE:**1. Mines Act,1952**

2. **Mines and Minerals (Development and Regulation) Act,1957**
3. **Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act,1976**
4. **Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act,1976**

I/We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India though it is applicable w.e.f 1st day of July 2015 and not mandatory right now is also complied.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchanges.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations.

I/We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executives Directors and Independent Directors The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act. Form DIR 11 and DIR 12 also filed. The company has not appointed Internal Auditor as per the Provisions laid under Companies Act,2013. The Company Secretary and Chief Financial Officer are appointed on the March 31,2017.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I/We further report that during the audit period the company has not make any

- (I) Public/ Right/Preferential issue of shares/ debentures/sweat equity, etc.
- (II) Redemption/ buy-back of securities
- (III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (IV) Merger/ amalgamation/reconstruction etc.
- (V) Foreign technical collaborations

Place: Ahmedabad

Date: 30/05/2017

**FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES**

(KAMLESH M. SHAH)
PROPREITOR
ACS: 8356, COP: 2072.

ANNEXURE-A**Securities Laws**

1. All Price Sensitive Information was informed to the stock exchanges from time to time
2. All investors complain directly received by the RTA & Company are recorded on the same date of receipts and all are resolved within reasonable time.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are not applicable to Company.

Environmental Laws

As the company is not engaged in the manufacturing activities so the Environmental laws are not applicable to the company.

1. The Company is not discharging the contaminated water at the public drains/ rivers. The Company has efficient water treatment plants at its factory premise.
2. The Company has been disposing the hazardous waste as per applicable rules.

Taxation Laws

1. The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments.

Place: Ahmedabad

**FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES**

Date: 30/05/2017

**(Kamlesh M. Shah)
PROPREITOR
ACS: 8356, COP:2072**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEERA ISPAT LIMITED

Report on the Financial Statements

We have audited the accompanying Financial statements of HEERA ISPAT LIMITED ("the company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the 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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2017;
- b) In the case of the Statement of Profit and Loss, of the Profit 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, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the Directors as on 31st March 2017 are taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls ,refer to our separate report in Annexure B and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements ;
 - ii. In our opinion and as per the information and explanation provided to us the Company has not entered into any long-term contracts including derivatives contract, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
 - iii. The company is not required to transfer any amount to Investor Education and Protection Fund.
 - iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period From 8 November, 2016 to 30 December,2016 and these are in accordance with the books of accounts maintained by the Company , Refer Notes to accounts of its financial statements.

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

Place: Ahmedabad
Date: 30/05/2017

Devang Doctor
(Partner)
M.No. 039833

Annexure–B to Independent Auditors' Report

Referred to in paragraph 10(l) of the Independent Auditors' Report of even date to the members Of HEERA ISPAT LIMITED on the standalone financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of HEERA ISPAT LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Cleaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the

assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmadabad

Date: 30/05/2017

For, D J N V & CO
Chartered Accountants
FRN. NO :-115145W

Devang Doctor
(Partner)
M.N:-39833

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of **HEERA ISPAT LIMITED** for the year ended on 31st March, 2017, we report that:

- (1) **The company has no fixed assets, thus the clause 3(I) (a), (b) and (c) are not applicable to the company.**
- (2) **As explained to us, the company has not been engaged during the year in any activity which involves inventory hence verification of stock and other related matters are not applicable .**
- (3) According to the information and explanation given to us and on the basis of our examination of books of account, the company has not granted any loans, secured or unsecured to the parties covered in the register maintained U/s 189 of the companies act, 2013. Accordingly ,clause(III) (a),(b) and (c) of the order are not applicable.
- (4) According to the information and explanation given to us , the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly the provisions of Clause 3(iv) of the order are not applicable to the company
- (5) According to the information and explanation given to us and on the basis of our examination of books of account, the company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable,

(6) The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of any of the company's products and hence clause VI of CARO 2016 is not applicable.

(7) (a) According to the records of the company undisputed statutory dues including provident fund, income tax, service tax, value added tax, cess, excise duty and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance & custom duty. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.

(8) The company has neither taken any loans or borrowing from a financial institution, bank, Government nor has issued debentures..

(9) The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly the provision of Clause 3(ix) of the order are not applicable to the company

(10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of material fraud by the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

(11) According to the information provided, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.

(12) The company is not declared as Nidhi Company moreover the company does not function on the lines of Nidhi company hence the said clause of the Order is not applicable.

(13) As per the information and explanation provided, the company has not entered into any transactions with the related parties that require approval under section 177 and 188 of Companies Act, 2013 and the rules thereunder. Hence clause (xiii) of the order is not applicable.

(14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the clause XIV is not applicable.

(15) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of section 192 of Companies Act, 2013 are not applicable

(16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Hence this clause is not applicable.

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

Devang Doctor
Ahmedabad
(Partner)
M. No. 039833

Place :
Date : 30/05/2017

Heera Ispat Ltd.
BALANCE SHEET AS AT 31 March 2017

Particulars	Note No.	As at 31-Mar-17 Rs.	As at 31-Mar-16 Rs.
<u>EQUITY AND LIABILITIES</u>			
1. Shareholders' Funds :			
a) Share Capital	3	58,828,000	58,828,000
b) Reserves & Surplus	4	(17,589,516)	(17,915,114)
c) Money received against Share Warrants		-	-
		41,238,484	40,912,886
2. Share Application money pending allotment			
		-	-
3. Non-Current Liabilities :			
a) Long Term Borrowings		-	-
b) Deferred Tax Liabilities (Net)		-	-
4. Current Liabilities			
a) Short Term Borrowings		-	-
b) Trade Payables	5	-	-
c) Other Current liabilities	6	257,976	150,586
d) Short Term Provision	7	75,530	47,710
		333,506	198,296
TOTAL		41,571,990	41,111,181
<u>ASSETS</u>			
1. Non-Current Assets			
<u>FIXED ASSETS</u>			
(i) Property plant & equipment		-	-
(ii) Intangible assets		-	-
(iii) Capital Work in Progress		-	-
b) Non-Current Investments	8	25,000,000	-
c) Deferred Tax Assets (Net)		-	-
d) Long-Term Loans and Advance	9	16,170,517	40,904,517
e) Trade Receivable		-	-
2. Current Assets			
a) Current Investment		-	-
b) Inventories		-	-
c) Trade Receivables		-	-
d) Cash & Cash Equivalents	10	401,473	206,664
e) Short Term Loans and Advances		-	-
f) Other Current Assets	11	-	-
TOTAL		41,571,990	41,111,181
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

For Heera Ispat Ltd.

Devang Doctor
(Partner)
M. No. 39833

Dinesh Rao
Managing Director

Prakash N. Shah
Director

Suhag V Shah
CFO

Place : Ahmedabad
Date : 30/05/2017

Place : Ahmedabad
Date : 30/05/2017

Heera Ispat Ltd.

STATEMENT of PROFIT AND LOSS FOR THE YEAR ENDED 31 March, 2017

Particulars	Note No.	31-Mar-17	31-Mar-16
		Rs.	Rs.
INCOME			
Revenue from Operations		-	-
Other Income		1,354,603	2,272,901
Total Revenue	(i)	1,354,603	2,272,901
EXPENDITURE			
Cost of materials consumed		-	-
Purchase of Stock in Trade		-	-
(Increase)/ Decrease in inventory		-	-
Employee Benefits Expense	12	150,000	204,600
Other Expenses	13	659,669	1,082,282
Total Expenses	(ii)	809,669	1,286,882
profit before Interest, Tax & Depreciation (i- ii)		544,934	986,019
Exceptional items		-	-
Profit before extra ordinary items and Tax		544,934	986,019
Extra ordinary items		-	-
Profit before tax		544,934	986,019
Tax expense:			
Current Tax		181,000	275,000
Income tax of earlier year		38,336	99,022
Defferd tax		-	-
Profit/ (Loss) for the year		325,598	611,997
Basic & diluted earnings per share	15	0.06	0.10
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

For Heera Ispat Ltd.

Devang Doctor
(Partner)
M. No. 39833

Dinesh Rao
Managing Director

Prakash N. Shah
Director

Suhag V Shah
CFO

Place : Ahmedabad
Date : 30/05/2017

Place : Ahmedabad
Date : 30/05/2017

Heera Ispat Ltd.

CASH FLOW STATEMENT FOR THE YEAR 2016-17

PARTICULARS	31-Mar-17 Amt (Rs)	31-Mar-16 Amt (Rs)
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Profit before tax	544,934	986,018
Non-cash adjustment to reconcile profit before tax to net cash flows		
ADD: Depreciation		-
Loss On sale of computer	-	-
Loss On sale of Asset	-	-
LESS:		-
Incometax Of Earlier Year	38,336	99,022
Operating Profit before Working Capital Changes	506,598	886,996
Movement in Working Capital :		
(Increase) / Decrease in Short term provisions	(153,180)	(920,000)
(Increase) / Decrease in Loans & Advances and Deposits	24,734,000	(10,550,688)
(Increase)/ Decrease in Trade Payable and current liability	107,390	(64,028)
(Increase) / Decrease in trade receivable		
(Increase)/ Decrease in Short term borrowings	-	
(Increase) / Decrease in Other Current Asset	-	248,762
Cash generated from / (used in) operations	24,688,210	(11,285,954)
Income Tax Paid		
Net Cash Flow From / (Used in) Operating Activities (A)	25,194,808	(10,398,958)
<u>B. CASH FLOW FROM INVESTING ACTIVITIES :</u>		
Proceeds from Sale of Property plant & equipment		
Purchase Of Investment	(25,000,000)	
Net Cash Flow From / (Used in) Investing Activities (B)	(25,000,000)	-
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Proceeds from share capital	-	
Proceeds from Loan Fund	-	-
Loan Repaid	-	-
Net Cash Flow From / (Used in) Financing Activities (C)	-	-
Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	194,808	(10,398,958)
Cash & Cash Equivalents at the beginning of the year	206,664	10,605,622
Cash & Cash Equivalents at the end of the year	401,471	206,664

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

For, HEERA ISPAT LTD.

Devang Doctor
(Partner)
M. No. 39833

Dinesh Rao
Managing Director

Prakash N. Shah Suhag V Shah
Director CFO

Place : Ahmedabad
Date : 30/05/2017

Place : Ahmedabad
Date : 30/05/2017

HEERA ISPAT Limited

Notes to financial statements for the year ended 31 March 2017..

1. 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, 2013. 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:

1.1 Summary of significant accounting polices

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. Property Plant & Equipment

Property plant & Equipment are stated as per Cost Model as per revised Accounting Slandered 10 i.e., After recognition as an asset, an item of property, plant and equipment should be carried at its cost less any accumulated depreciation and any accumulated impairment losses 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 derecognition 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 derecognized.

c.. Depreciation on Property plant & Equipment

Depreciation on fixed asset is calculated on Straight Line method using the rates prescribed under the Schedule II to the Companies Act, 2013.

d. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long- term investments.

Long term investments are carried at cost. However, provision for diminution in value is to be made to recognize a decline other than temporary in the value of investments.

e.. Income Tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the Balance Sheet date. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss Account of the respective year of change.

f..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.

G..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.

H..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 period ended 31 March 2017

NOTE - 3 SHARE CAPITAL		As at 31 March 2017 Amt. (Rs.)		As at 31 March 2016 Amt. (Rs.)	
Particulars					
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.5,882,800- Equity Shares of Rs. 10/- each fully paid up		58,828,000		58,828,000	
TOTAL		58,828,000		58,828,000	
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 31/03/2017 and 30/06/2016 is set out below.					
Name of Shareholder	As at 31 March 2017		As at 31 March 2016		
	No. of shares	% held	No. of shares	% held	
Keena Kothari	384,815	6.54%	384,815	6.54%	
Hasumati Mistry	795,700	13.53%	795,700	13.53%	
The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2017 & 31/03/2016 is set out below					
Particulars	As at 31 March 2017		As at 31 March 2016		
	No. of shares	Amt. (Rs.)	No. of shares	Amt. (Rs.)	
Shares at the beginning	5,882,800	58,828,000	5,882,800	58,828,000	
Addition	-	-	-	-	
Deletion	-	-	-	-	
Shares at the end	5,882,800	58,828,000	5,882,800	58,828,000	

NOTE - 4 RESERVE & SURPLUS

Particulars	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	(17,915,114)	(18,527,111)
Add : Profit / (Loss) for the year	325,598	611,997
Net Surplus/ (Deficit) In the Statement of Profit and Loss	(17,589,516)	(17,915,114)
TOTAL	(17,589,516)	(17,915,114)

NOTE - 5 TRADE PAYABLE

Particulars	As at 31 March 2017	As at 31 March 2016
	Amt (Rs.)	Amt (Rs.)
a. total outstanding dues of micro enterprises and small enterprises	-	-
b. total outstanding dues other than micro enterprises and small enterprises	-	-
TOTAL	-	-

Micro Small and Medium Enterprises Disclosures	As at 31 March 2017	As at 31 March 2017
a. the principal amount and interest due thereon remaining unpaid at the end of accounting year	0	0
b. the amount of interest paid by the buyer in terms of the section 16 of the MSME Act alongwith the amount of the payment made to the supplier beyond the appointed day during accounting year	0	0
c. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under MSME act 2006.	0	0
d. the amount of interest accrued and remaining unpaid at the end of accounting year	0	0
e. the amount of further interest remaining due and payable even in the succeeding years ,until such date when the interest dues above are actually paid to the small enterprise,for the purpose of disallowance of a deductible expenditure under section 23 of the MSME Act,2006.	0	0

NOTE - 6 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
Other Payables	257,976	150,586
TOTAL	257,976	150,586

NOTE - 7 SHORT TERM PROVISION

Particulars	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
Provision of Tax for current year.	181,000	275,000
Less : TDS	105,470	227,290
TOTAL	75,530	47,710

NOTE-8 NON CURRENT INVESTMENT

Particulars	As at 31	As at 31
	March 2017 Amt. (Rs.)	March 2016 Amt. (Rs.)
Preference Shares of Heavy Metal Tubes Ltd. of Rs.10/- each 2500000 Nos.	25,000,000	-
TOTAL	25,000,000	-

NOTE - 9 LOANS & ADVANCES

Particulars	Long Term		Short Term	
	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
(A) Capital Advances				
Unsecured, Considered Good (A)	-	-	-	-
(B) Advances Recoverable in Cash or Kind				
Unsecured, Considered Good	-	-	-	-
(C) Other Loans & Advances				
(i) Other Advances - Unsecured Considered Good	16,170,517	40,904,517	-	-
	16,170,517	40,904,517	-	-
TOTAL (A+B+C)	16,170,517	40,904,517	-	-

NOTE - 10 CASH AND CASH EQUIVALENTS

Particulars	Non Current		Current	
	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
Cash and Cash Equivalents				
Balances with Bank:				
- In Current Accounts	-	-	397,380	201,571
Cash on Hand	-	-	4,093	5,093
TOTAL	-	-	401,473	206,664

NOTE - 11 Other Current Assets

Particulars	As at 31	As at 31
	March 2017 Amt. (Rs.)	March 2016 Amt. (Rs.)
	-	-
Total	-	-

NOTE - 12 Employee Benefits Expense

Particulars	Current	
	As at 31 March 2017 Amt. (Rs.)	As at 31 March 2016 Amt. (Rs.)
Directors Remuneration	150,000	-
Salary & Wages	-	180,000
Staff Welfare Expenses	-	24,600
TOTAL	150,000	204,600

NOTE - 13 OTHER EXPENSES

Particulars	31 March 2017 Amt. (Rs.)	31 March, 2016 Amt. (Rs.)
General Charges	19,124	601,153
Listing Fees	229,000	224,720
Legal and Professional Charges	208,545	233,509
Office Rent	180,000	-
Payment to Auditors		
Audit Fees	23,000	22,900
TOTAL	659,669	1,082,282

NOTE 14	Details of the specified bank notes (SBN)		
	Pursuant to schedule III of the Companies Act,		
Particulars	specified bank notes	Other denomination Notes	TOTAL
Closing Cash In hands as on 08-11-2016	-	4,093	4,093
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in bank	-	-	-
Closing Cash in hand as on 30-12-2016	-	4,093	4,093

HEERA ISPAT LIMITED

CIN: L27101GJ1992PLCO18101

206, Ashwarath Complex, 2nd Floor, Opp. Fortune Landmark Hotel, Usmanpura, Ahmedabad GJ 380013 IN
ATTENDANCE SLIP

DP ID*		Folio	
Client ID*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 25TH ANNUAL GENERAL MEETING of the Company held on FRIDAY , 30th September, 2017 at 09:30 A.M. at 206, Ashwarath Complex, 2nd Floor, Opp. Fortune Landmark Hotel, Usmanpura, Ahmedabad GJ 380013 IN

Signature of the Shareholder | Proxy

* Applicable for investors holding shares in electronic form.

HEERA ISPAT LIMITED

CIN: L27101GJ1992PLCO18101

206, Ashwarath Complex, 2nd Floor, Opp. Fortune Landmark Hotel, Usmanpura, Ahmedabad GJ 380013 IN
Form No. MGT- 11**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Members:

Registered Address:

E-mail Address:

Folio No. | Client ID:

DP Id:

I/we, being the member(s) of _____ shares of HEERA ISPAT LIMITED hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Saturday, 30th September, 2017 at 09:30 a.m. at 206, Ashwarath Complex, 2nd Floor, Opp. Fortune Landmark Hotel, Usmanpura, Ahmedabad GJ 380013 IN and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO	RESOLUTIONS
	ORDINARY BUSINESS
1	Adoption of financial statements for the year ended on March 31, 2017
2	Reappointment of Shri Dharmeshkumar R. Mistry Director
3	Ratification of Appointment of DJNV & CO., as Statutory Auditor and fix their remuneration

Signed this day of 2017 .

.....
Signature of first proxy
holder.....
Signature of Second proxy
holder.....
Signature of Third proxy
holderAffix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.