

HEERA ISPAT LIMITED.

18TH AUDITED ANNUAL REPORT
FOR THE YEAR 2009-10

COMPANY REGISTRATION NO: 04-018101

CIN NO: L27101GJ1992PLC018101

Registered with Registrar of Companies, Gujarat State

HEERA ISPAT LIMITED

Regd. Office: 13/A, VISHWAKARMA TOWER

GANDHI CHOWK

GODHARA

GUJARAT-389001

E MAIL: maildeveshpathak@rediffmail.com

HEERA ISPAT LIMITED

18th ANNUAL GENERAL MEETING - PROGRAMME.

DATE : 30TH SEPTEMBER, 2010
DAY : THURSDAY
TIME : 04.00 P.M.
VENUE : REGISTERED OFFICE OF THE
COMPANY AT :
13/A, VIHWAKARMA,
GANDHI CHAWK,
GODHARA
GUJRAT-389001

NOTE TO SHAREHOLDERS:

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

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HEERA ISPAT LIMITED

BOARD OF DIRECTORS

Rameshchandra Tribhuvandas Mistry	Chairman And Director
Dharmeshkumar Rameshchandra Mistry	Managing Director
Hasumatiben Rameshchandra Mistry	Director
Alpesh Kiritbhai Patel	Director
Radheshyam Rampal Lodha	Director

CORPORATE GOVERNANCE TEAM.

AUDIT COMMITTEE.

Dharmesh R. Mistry.
Alpesh K. Patel
Rameshchandra T. Mistry

Chairman.
Member
Member

INVESTORS SERVICES COMMITTEE

Dharmesh. R. Mistry
Rameshchandra. T. Mistry
Radheshyam R. Lodha

**ACTING IN ADVISORY CAPACITY ONLY TO VARIOUS COMMITTEES OF
CORPORATE GOVERNANCE**

Secretarial and Corporate Legal Matters

Shri Devesh A Pathak,
(Practicing Company Secretary)

Finance, Audit and Taxation Matters

M/s. Hiren R. Patel & Co.
Chartered Accountants

BANKERS OF THE COMPANY

Bank of Baroda, Godhara Branch

REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.
13/A-B, Shamhita Warehousing Corporation
Near MTNL Exchange, Saki Naka,
Andheri (East), Mumbai.

Auditors

M/s. Hiren R. Patel.
Chartered Accountants
Ahmedabad.

Company Law Consultants

M/s. Devesh A Pathak & Co.,
Practicing Company Secretary
Baroda.

REGD. OFFICE

13/A, VIHWAKARMA,
GANDHI CHAUK,
GODHARA
GUJRAT-389001

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER:

Dharmesh Rameshchandra Mistry
13/A, VIHWAKARMA,
GANDHI CHAUK,
GODHARA

HEERA ISPAT LIMITED.

NOTICE

NOTICE is hereby given to the Members of Heera Ispat Limited that **18th Annual General Meeting** of the Members of the Company will be held on Thursday the 30th September, 2010 at 04.00 P.M. at the Registered Office of the Company at 13/A, Vishwakarma, Gandhi Chauk, Godhara, Gujarat-389 001 to transact the following Business.

ORDINARY BUSINESS :

1. To Receive, Consider, Approve and Adopt the Audited Statement of Account i.e. The Audited Balance Sheet as at 30/06/2010, 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. Dharmeshkumar Rameshchandra Mistry, who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint a Director in place of Mr. Rameshchandra Tribhuvandas Mistry, who retire by rotation and being eligible offers himself for reappointment.
4. To Appoint M/s. Hiren R. Patel & Co., Chartered Accountants, as the Statutory Auditors for the next Financial Year to hold the office as such from the conclusion of this Annual General Meeting up to the date of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and if thought fit to pass with or without modification following resolution as Ordinary Resolution.

RESSOLVED THAT Mr. Alpesh Kiritbhai Patel, Who was appointed as an Additional Director by the Board of Directors Of the company pursuant to Section 260 of the companies Act, 1956 and relevant Article of the Article of Association of the Company and who hold office only up to the date of this Annual General Meeting and in respect of whom the company has received a Notice in Writing, under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Alpesh Kiritbhai Patel as candidate for the office of a Director of the company and is hereby appointed as Director of the Company liable to Retire by Rotation.

6. To Consider and if thought fit to pass with or without modification following resolution as Ordinary Resolution.

RESSOLVED THAT Mr. Radheshyam Rampal Lodha, Who was appointed as an Additional Director by the Board of Directors Of the company pursuant to Section 260 of the companies Act, 1956 and relevant Article of the Article of Association of the Company and who hold office only up to the date of this Annual General Meeting and in respect of whom the company has received a Notice in Writing, under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Radheshyam Rampal Lodha as candidate for the office of a Director of the

company be and is hereby appointed as Director of the Company liable to Retire by Rotation.

FOLLOWING EXPLANATORY STATEMENT PURSUANT TO PROVISION OF SECTION 173(2) OF THE COMPANIES ACT 1956 DISCLOSES ALL THE MATERIAL FACTS AND INFORMATION RELATING TO THE BUSINESS PROPOSED TO BE TRANSACTED AS SPECIAL BUSINESS IN THE ENSUING ANNUAL GENERAL MEETING ON 30TH SEPTEMBER 2010.

- 1) Mr. Alpesh Kiritbhai Patel was Appointed by the Board of Directors of the company on 1st October ,2009 as an Additional Director and as per the provisions of Section 260 of the Companies Act,1956, he holds Office as a Director up to the date of this Annual General Meeting. The company has received a Notice from a Member, signifying his intention to propose the appointment of Mr. Alpesh Kiritbhai Patel as Director of the Company. He was mainly appointed in order make part compliance with the Corporate Governance norms prescribed in the Listing Agreement.

Your Directors recommend the passing of the Resolution at item No. 5

Mr. Alpesh Kiritbhai Patel may be deemed to be concerned or interested in the Resolution relating to appointment.

- 2) Mr, Radheshyam Rampal Lodha was Appointed by the Board of Directors of the company on 1st October, 2009 as an Additional Director and as per the provisions of Section 260 of the Companies Act, 1956, he holds Office as a Director up to the date of this Annual General Meeting. The company has received a Notice from a Member, signifying his intention to propose the appointment of Mr. and Mr. Radheshyam Rampal Lodha as Directors of the Company. He was mainly appointed in order make part compliance with the Corporate Governance norms prescribed in the Listing Agreement.

Your Directors recommend the passing of the Resolution at item No. 6

Mr. Radheshyam Rampal Lodha may be deemed to be concerned or interested in the Resolution relating to appointment.

NOTES

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

- iv) Members are requested to intimate any change in their registered addresses if any directly at the Registered Office of the Company at their address mentioned elsewhere in this report.

DATE: 4th September, 2010.

PLACE: Godhara

By Order of the Board of Directors
Of Heera Ispat Limited

Sd/-

(Dharmesh R. Mistry)
Managing Director.

HEERA ISPAT LIMITED.

DIRECTORS' REPORT

To,
The Members,
HEERA ISPAT LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 18th Audited Annual report of your Company for the financial year ended on 30th JUNE, 2010.

FINANCIAL HIGHLIGHTS:

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

Particulars.	(Amount in Rupees)	
	For the Year Ended on 30/06/2010	For the Year Ended on 30/06/2009
Gross Income	0.00	0.00
Total Expenses	(1494771)	45,32,139
Profit /(Loss) Before Depreciation & Tax	(1494771)	(4532139)
Profit Before Tax	(1494771)	(4532139)
Provision for Tax	0	0
Excess Income Tax Provision P.Y	0	0
Provision for FBT	0	0
Net Profit / (Loss) for the Year	(1494771)	(4532139)
Deferred Tax Assets (Previous year liabilities)	0.00	0.00
Net Loss for the Year.	(1494771)	(4532139)
Previous year Balance B/f.	(7263465)	(2731326)
Total Loss Transferred to Balance Sheet.	(8758236)	(7263465)

DIVIDEND

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

UNPAID/UNCLAIMED DIVIDEND

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

SHARE CAPITAL STRUCTURE

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

BUY BACK OF EQUITY SHARES

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

YEAR UNDER REVIEW

During the year Company has not earned any income by way of turnover and other income. After all Administrative Expenditure and Depreciation of Rs 14,97,771 (Previous year Rs. 45,32,139/-) the company has suffered a gross operational loss of Rs. 14,97,771/- (Previous year gross loss of Rs.45,32,139/-). After making necessary adjustments for Deffered Tax, Fringe Benefit tax, Your Company had suffered a Net loss for the year which is transferred to balance sheet is Rs.87,58,236/- (Previous year loss of Rs.72,63,465 /-).

SETTLEMENT/ LIQUIDATION OF FINANCIAL LIABILITIES

The company has no any settlement/liquidation of Financial Liabilities .It is not a sick company as per audited balance sheet for the current year.

FUTURE BUSINESS PLANS

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

DEMATERIALISATION OF SECURITIES

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

COMPLIANCE TO CODE OF CORPORATE GOVERNANCE

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

DEPOSITS

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

DIRECTORS

During the year under review Shri Dharmeshkumar Rameshchandra Mistry, and Mr. Rameshchandra T Mistry shall retire by rotation at the ensuing Annual General Meeting as provisions of Law. They are eligible for reappointment as director and have offered themselves for directorship of the company. Additional Directors are appointed Namely Shri Alpesh Kiritbhai Patel and Radheshyam Rampal Lodha on date 01/10/2009 who are proposed to be appointed as Regular Director of the company. Your directors recommend to pass the said resolutions.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (A) That in the preparation of the annual accounts, *except the Accounting standard No. 22 Accounting for Deferred Tax provisions*, all other applicable accounting standards has been followed and no material departure has been made from the same;
- (B) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the company at the end of the financial year and of the profit or loss of the company for that period;
- (C) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities;
- (D) That they have prepared the annual accounts on a going concern basis.

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

AUDITORS OBSERVATION

Auditors have observed that the Company has not complied with AS-22 for Accounting for Deferred Tax Provisions. As the Company's all fixed assets were not in use during the entire financial year and there was no commercial business activities, your directors have thought it fit and proper not to provide for Deferred Tax for the year. Apart from the same, there was no adverse remark by Auditor In the auditor Report of the company.

FORMATION OF AUDIT COMMITTEE

The present Board of Directors of the Company is not in compliance with the provisions of Section 292A and the Clause 49 of the Listing Agreement. Even though, however, in order to make part compliance to the Provisions of Section 292A of the Companies Act 1956 and clause 49 of the Listing Agreement on Corporate Governance, your directors have already formed an Audit Committee within the organization consisting of 2 directors, an advisor (Chartered Accountants) to internal audit Department and Practicing Company Secretary as advisors to the company. The area of operations and functional responsibilities assigned to the committee are as per the guidelines provided in Clause 49 of the Listing Agreement for implementation of code of corporate governance. The committee meets at least once in a quarter and gives its report of each meeting to the Board for its approval, record and information purpose.

EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs.24,00,000/- in the aggregate if employed for the year and in receipt of the monthly remuneration of Rs. 2,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 being not applicable are not given in this report.

STATUTORY INFORMATION

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

MATERIAL CHANGES

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

APPRECIATION

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

DATE : 4th September, 2010
PLACE: Godhara.

On Behalf of the Board of Directors
Of Heera Ispat Limited

SD/-
(Rameshchandra T. Mistry)
Chairman And Director

REPORT ON CORPORATE GOVERNANCE

MANAGEMENT PERCEPTION ON CORPORATE GOVERNANCE

The company believes that good Corporate Governance practices enable the Board to direct and control the affairs of the company in an efficient manner. As such, the company steps to put in place the system of Corporate Governance as per the guidelines provided in Clause 49 of the Listing Agreement. Further with the formation of the various committees within the organizations, the company also complies with various provisions of the Companies Act, 1956 as well as SEBI and Stock Exchange requirements. As per the norms prescribed under Listing Agreement being applicable to the company and in compliance to Section 292A of the Companies Act, 1956, the company had partly complied with the code of corporate governance on 30th June 2010.

BOARD COMPOSITION

Name of the Director	Designation	Type	Executive / Non Executive
Mr. Rameshchandra Tribhovandas Mistry.	Chairman And Director	Promoter & Non - Exec Dir.	Non –Executive Director
Mr. Dharmesh. R. Mistry.	Managing Director	Promoter & Exec Dir.	Executive Director
Mrs. Hasumatiben. R. Mistry.	Director	Promoter & Non- Exec Dir.	Non-Executive Director
Mr. Alpesh Kiritbhai patel	Director	Non Promoter & Non - Exec Dir.	Non- Executive Independent Director
Mr. Radheshyam Rampal Lodha	Director	Non Promoter & Non- Exec Dir.	Non- Executive Independent Director

COMPOSITION OF COMMITTEES

A. AUDIT COMMITTEE

	Name	Type
1	Shri Dharmesh R. Mistry	Chairman
2	Shri Alpesh K .Patel	Member
3	Shri Rameshchandra Mistry	Member
4	Shri Hiren R. Patel	C.A. (Financial, Audit and Tax Advisor)

*(In the Advisory capacity only)

INVESTOR GRIEVANCE COMMITTEE

	Name	Type
1	Shri Dharmesh R. Mistry	Chairman
2	Shri Rameshchandra T Mistry	Member
3	Shri Radheshyam R. Lodha	Member
4.	Shri Devesh A. Pathak	Company Secretary

*(In the Advisory capacity only)

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

Name of the Committee	No. of Meetings held
Board	6
Audit Committee of Board	4
Investor Grievance Committee	12

ATTENDANCE OF THE DIRECTORS IN VARIOUS MEETINGS:

	Name of the Director	Board Meeting	ACB Meeting	IGCB Meeting
1	Mr. Dharmeshkumar R. Mistry	6	4	12
2	Mrs. Hasumatiben R. Mistry	6	-	-
3	Mr. Rameshchandra T. Mistry	6	4	12
4	Mr. Alpesh K .Patel	2	2	-
5	Mr. Radheshyam R. Lodha	2	-	4

DIRECTORS PRESENT AT THE LAST ANNUAL GENERAL MEETING DATED 30TH SEPTEMBER 2009

1	Mr. Rameshchandra T. Mistry	Chairman & Director.
2	Mr. Dharmesh. R. Mistry	Managing Director
3	Mrs.Hasumati. R. Mistry	Director

DETAILS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST 5 FINANCIAL YEARS

1. September 30, 2009 13/A, VIHWAKARMA, GANDHI CHAUK, GODHRA, GUJRAT-389001
2. December 29, 2008 13/A, VIHWAKARMA, GANDHI CHAUK, GODHRA, GUJRAT-389001
3. December 29, 2007 13/A, VIHWAKARMA, GANDHI CHAUK, GODHRA, GUJRAT-389001
4. December 30, 2006 13/A, VIHWAKARMA, GANDHI CHAUK, GODHRA, GUJRAT-389001
5. December 30, 2005 KAMDHENU SHOPPING CENTER, P S ROAD, BHAVNAGAR, GUJARAT- 390002

FUNCTIONS OF AUDIT COMMITTEE:

The Audit Committee is headed by Shri Rameshchandra T Mistry as Chairman and includes other director namely Smt. Hasumati R Mistry. The Committee is regularly giving feed back on daily financial and accounting position of the company to the Board. In addition thereto the

company has also appointed Mr. Hiren R. Patel, C.A. as Advisor for Finance, Accounts and Taxation matters and Mr. Devesh. A. Pathak Practicing Company Secretary from time to time. The role of professional advisors has been of an Advisory nature. They do not take part in the proceedings of the committee. However they are giving their expert guidance on making compliance with the Accounting Standards, Financial transactions and accounting and Taxation matters, Company Law and other Corporate Legal Matters etc.

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

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

ESTABLISHMENT OF THE INTERNAL AUDIT SYSTEM

The company has already established the Internal Audit System under the Chairmanship of the Audit Committee. The Managing Director and the Chief Financial Officer of the company both are jointly responsible for giving full accounts to the committee including to carry out any suggestions of the committee. The audit system ensures proper financial control and accounting of the transactions as per the established accounting standards.

FUNCTIONS OF INVESTORS SERVICES COMMITTEE

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

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and Securities, maintaining of the complete records of Share Demated, Investors Grievances and complaints received from investors and also from various agencies. The Committee also take advise and seek legal opinions from advocates to look after the legal cases and problems relating to the investors, shares etc.

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

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

PASSING OF THE RESOLUTIONS BY POSTAL BALLOT SYSTEM

The Company had not passed any resolution by means of Postal Ballot at the last Annual General Meeting. The Company had during the financial year not passed any resolutions by means of Postal Ballot system.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) PRESENT STRENGTH OF THE COMPANY

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

(b) FUTURE OUT LOOK

There is a strong buoyancy in the market for Automobile Sector. Construction and Infrastructure Industry is also showing good demand of steel. The Steel bars and wires proposed to be manufactured by the Company by using new raw materials, and imported coal, Pig Iron etc. will find a new market for these two industry. There is a bright future for the company. Once, directors find the proposal commercially viable and receives good orders, the company will immediately start production unit which will start earning good amount of profit of 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 plats, steel bars, wires for construction industry and cast iron products for automobile industry with best available remunerative prices and also provide after sales service. As the company no of any Bankers, Financial institutions, the company hopes to leverage upon this front by acquiring cheaper raw materials and improve upon the profitability margin for the products proposed to be manufactured by it.

WHILSTEL BLOWER POLICY

A. OVER COMING BARRIERS OF CURRENT OPERATIONS

This system is proposed to be established under the chairmanship of Shri Rameshchandra. T. Mistry and he will be further assisted by chief operational officer (COO) and chief financial officer (CFO). The company's operational department ensures whistle blower upon failure / shut down or breaks down of manufacturing, supply systems and service utilities of its resort project division. Upon such intimation the company has established the UPS systems for overcoming power failure problems, has established data back up systems on CDs, and is also in the process of hiring the data warehouse for retrieval of the information.

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

B. POSSIBLE THREATS TO FINANCIAL SYSTEMS

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

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

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

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

DISCLOSURES

A) MATERIALLY RELATED PARTY TRANSACTIONS:

Except all the Directors of the Company being relatives of each other, there are no other related party transactions. There are no other Group/ Associate Concerns, Companies under the same management. During the year as there was no commercial business activities, there was no related party transactions within the company. However, Name of the Related party & description of the relationship are disclosed in the Notes to the Accounts as per AS-18.

B) DETAILS OF NON-COMPLIANCE

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

MEANS OF COMMUNICATIONS

A) ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEMS

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

B) INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD

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

CJ INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS

The company is regularly taking on record the unaudited financial results on quarterly basis as per requirements of the Clause 41 of the Listing Agreement and the same are published in English and Gujarati newspapers in time. Further these original paper cuttings are also being submitted to Stock Exchanges in time. The material information relating to the business of the company are being intimated to the Stock Exchange who in turn publish the same in their daily official bulletin. The Audited Financial Balance Sheet is being dispatched to all shareholders in time at their registered addresses.

STATUTORY COMPLIANCES MADE AND RETURNS ETC. FILED

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

OTHER DETAILS

REGISTERED OFFICE	:	13A, Vishwakarma, Gandhi Chawk, Godhara, Gujarat: 398 001
BOOK CLOSURE DATES	:	SEPT.21 2010 to SEPT.30, 2010.
REGISTRAR AND SHARE TRANSFER AGENT.	:	Sharepro Services (India) Pvt.Ltd. 13/A-B, Shamhita Warehousing Corp. Near MTNL Building, Sakinaka, Andheri Kurla Road, Andheri (East) Mumbai.
ISIN NUMBER OF THE COMPANY:	:	INE 025D01013.

FINANCIAL CALENDAR

Unaudited Results for the Quarter :

Ending on 30th September, 2009	:	Last Week of October, 2009
Ending on 31st December, 2009	:	Last week of January, 2010
Ending on 31st March, 2010	:	Last week of April, 2010
Ending on 30th June, 2010	:	Last week of July, 2010

DETAILED PROGRAMME OF THE 18TH ANNUAL GENERAL MEETING

DATE	30 TH SEPTEMBER 2010
DAY	THURSDAY
TIME	04.00 P.M.
VENUE	REGISTERED OFFICE OF THE COMPANY AT

13A, Vishwakarma,

Gandhi Chawk,
Godhara, Gujarat. 398 001

Listing Details

Equity Shares of the company are listed and traded on
The Stock Exchange, Ahmedabad
The Stock Exchange, Mumbai
The Stock Exchange, Vadodara.

Stock Exchange Code ASE Code: HEERAISP BSE: 526967 VSE Code :

MARKET QUOTATIONS:

The Company has not paid listing fees of the Stock exchanges due to dull cash liquidity position. Hence due to that and due to non compliance with the other clauses of the Listing Agreement, the Company's Equity Shares are at present suspended from trading from the Stock Exchange. Hence, no stock quotes are available from any of the Stock Exchanges.

SHAREHOLDING PATTERN:

Sr.No	Category of Shareholders	No. of Shares Held	% of shares held to total Capital of the Company.
(A)	Indian Promoters/ Directors. (All Individuals)	1060900	18.03%
(B)	NON PROMOTERS.		
1	NRIs/FIIs/OCBs	5000	00.08%
2	Private Corporate Bodies.	1843800	31.34%
3.	Public Individual Shareholders	2973100	50.54%
	Total	5882800	100%

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

DATE : 04th September, 2010
PLACE: GODHARA.

On Behalf of the Board of Directors
Of HEERA ISPAT LIMITED.

Sd/-
(Rameshchandra. T. Mistry)
Chairman And Director

AUDITORS' REPORT ON WITH CORPORATE GOVERNANCE

To
The Members of
Heera Ispat Limited

We have examined the relevant records for the year ended June 30, 2010 relating to the Compliance with the requirement of corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges.

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

Date: 4th September, 2010

For Hiren R. Patel & Co.,
Chartered Accountants,

Place: Godhara.

SD/-
(Hiren R. Patel)
Proprietor
Membership No: 35182

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

To,
The Members,
Heera Ispat Limited,
Godhra.

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

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

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

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

**For and On Behalf of The Board Of Directors Of
HEERA ISPAT LIMITED**

Sd/-

Date: 4th Septemebr, 2010
Place: Godhra

(Rameshchandra T. Mistry)
Chairman & Director

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

We, Rameshchandra T. Mistry, Chairman of the Board of Directors and Chairman of an Audit Committee of Heera Ispat Limited, 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 are fraudulent, illegal or violative of the company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Heera Ispat Limited and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. We have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
- (i) Significant changes in internal controls over financial reporting during the year.
- (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
- (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company internal control system.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any.)
- (f) We further declare that all Board Members and Senior management have affirmed compliance with the code of conduct for the current year.

**For and On Behalf of the Board of Director of
HEERA ISPAT LIMITED**

Place: Ahmedabad

Sd/-
(Rameshchandra Mistry)
Chairman & Director

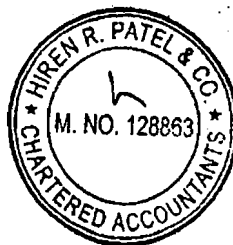
Sd/-
(Dharmesh Mistry)
Managing Director

Date: 4th September, 2010

AUDITORS' REPORT

**To the members of
HEERA ISPAT LTD.**

1. We have audited the attached Balance Sheet of **HEERA ISPAT LTD.** for the year ended 30th June, 2010 and the Profit & Loss Account & cash flow for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order , 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.
4. Further, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit *subject to our notes forming parts of accounts;*
 - (b) In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of the books;
 - (c) The Balance Sheet, and Profit & Loss Account & cash flow dealt with by this report are in agreement with the Books of Account;



(d) In our opinion, the Balance Sheet and Profit and Loss Account & cash flow dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956 *except for AS-22 in respect of Deferred Taxation.*

(e) On the basis of written representations received from the Directors of the company as at 30th June, 2010 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us subject to effect on the financial statements of the matter referred to in the paragraph (4), the said accounts read together with Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view;

(I) in case of the Balance Sheet, of the state of Affairs of the company as at 30th June, 2010

(II) in case of the Profit & Loss Account, of the loss for the year ended on that date.

(III) in case of cash flow statement, of the cash flows for the year ended on that date.

For Hiren R. Patel & Co.
Chartered Accountants

FRN.: 128984W

H. R. Patel

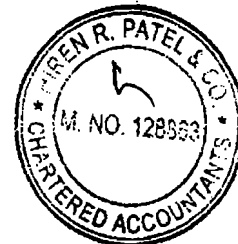
(Hiren R. Patel)

Proprietor

Membership No.: 128863

Place: Ahmedabad

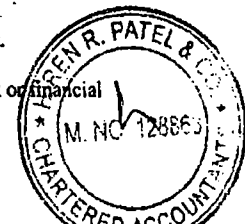
Date: 04.09.2010



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of the Auditor's Report to even date on the accounts of HEERA ISPAT LTD. For the year ended 30th June, 2010.

- (1) (a) The company has not shown us records showing full particulars including quantitative details and situation of fixed assets.
(b) As informed to us, all fixed assets were physically verified by the management during the year. However we are unable to find any discrepancies between the book records and physical inventory in absence of book records and physical verification taken by the management.
(c) As informed to us, no substantial parts of fixed assets have been disposed of during the year.
- (2) As informed to us, the company has not done any activity during the year under review, & there was no closing stock at the year end, hence verification on stock and other related matter are not applicable.
- (3) (a) As informed to us, the company has not taken any loans, secured or unsecured from companies, firms, or other parties listed in the register maintained under section 301 of Companies Act 1956 or from companies under the same management within the meaning of section 370(1-B) of the Companies Act, 1956.
(b) As informed to us, the Company has granted advances & loans, secured or unsecured, to companies firms, or other parties listed under section 301 of companies Act, 1956 or to companies under the same management but we are unable to verify in absence of records whether the same is granted as per Companies Act and as per terms & conditions are mutually agreed by the parties.
(c) The Company has granted unsecured loans to companies, firms or other parties. The parties has not paid any interest and repayment of loans / advances as per terms and conditions of such loans / advances mutually agreed between both the parties and to that extent it is prima facie prejudicial to the interest of the company.
- (4) In our opinion and according to the information and explanation given to us, there are no adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase.
- (5) According to the information and explanation given to us, no transaction of purchase & sale of goods & material made in pursuance of contract or arrangements entered in the register maintained under section 301 of the companies Act 1956, aggregating during the year to Rs.50000/- or more in respect of each party.
- (6) The company has not accepted any deposit within the means of section 58A of the Companies Act, 1956 and the Companies (Acceptance of deposit Rules), 1975.
- (7) The Company has not appointed a firm of chartered accountant for an internal audit system commensurate with the size of the Company and nature of it's business.
- (8) As informed to us, the company is not required maintain cost records u/s 209 (1) (d) of the Companies Act, 1956 as the company has not done any business activity during the year under review.
- (9) (a) As informed to us, Provident fund and employee state insurance act are not applicable to the company for the year under report. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, and Customs Duty which have remained outstanding as at 30th June, 2009 for a period of more than six months from the date they became payable. However the company has not given statutory records for our verification during audit time.
(b) As inform to us, there is no disputed amount towards statutory liabilities during the year.
- (10) The company has accumulated loss but it is less than 50% of the net-worth and the company has incurred cash losses in such financial year and in the financial year immediately proceeding such financial year also.
- (11) The company has not defaulted in repayment of dues to a financial institution or debenture holder as the company has not taken such kind of loan.
- (12) The company has not granted loans & advances on the basis of security by way of pledge of sharca, debentures and other securities.
- (13) Provision of any special statute applicable to chit fund are not applicable to the Company.
- (14) The company is not dealing and trading in shares, securities, debentures and other investment.
- (15) As inform to us, the company has not given any guarantee for loan taken by others from bank or financial



institution.

- (16) The Company has not taken any term loan during the year under review.
- (17) As inform to us, no short term funds raised have been use for long term investment.
- (18) The Company has not made any preferential allotment of shares to parties and companies toward in the register maintain u/s 301 of the act.
- (19) The Company has not issued any debentures.
- (20) The Company has not raised money by way of public issue during the year under review.
- (21) According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

**For Hiren R. Patel & Co.
Chartered Accountants**

FRN.: 128984W

H.R. Patel

(Hiren R. Patel)

Proprietor

Membership No.: 128863

Place: Ahmedabad

Date: 04.09.2010



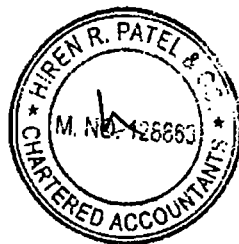
HEERA ISPAT LTD

BALANCE SHEET AS ON 30TH JUNE, 2010

Particulars	Sch.	As at 30.06.2010		As at 30.06.2009	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS :					
Shareholders Fund					
A. Share Capital	A	57974000		57974000	
B. Reserve & Surplus		0	57974000	0	57974000
Loan Fund					
A. Secured Loan		0		0	
B. Unsecured Loan		300000	300000	0	0
Total...>			58274000		57974000
APPLICATION OF FUNDS					
A. Fixed Assets					
Gross Block	B	14256498		14256498	
Less: Depreciation		3956959		2562660	
Net Block			10299539		11693838
B. Investment					
			0		0
C. Current Assets, Loans & Advances					
1. Inventories	C	0		0	
2. Sundry Debtors		0		0	
3. Cash & Bank Balance		564749		565249	
4. Loans & Advances		39289135		39289135	
		39853884		39854384	
Less: Current Liabilities & Provision					
	D	637659		837687	
Net Current Assets			39216225		39016697
Miscellaneous Expenses (To the Extent not written off)					
	E		8758236		7263465
Total...>			58274000		57974000
Significant Accounting Policies	H				
Notes on Accounts					

Schedule referred to above form an integral part of Balance Sheet.
As per our report of even date

For, Hiren R. Patel & Co.
Chartered Accountants
H. R. Patel
(Hiren Patel)
Proprietor



Place : Ahmedabad
Date : 04.09.2010

For, Heera Ispat Ltd.

H. R. Patel *H. R. Patel*
Director Director

Place : Godhara
Date : 04.09.2010

HEERA ISPAT LTD

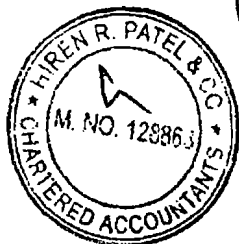
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 30th JUNE,2010

Particulars	Sch.	As at 30.06.2010	As at 30.06.2009
		Amount (Rs.)	Amount (Rs.)
Income			
Sales		0	0
Increase(Decrease) in stock		0	0
Total		0	0
Expenditure			
Administrative Expenses	G	1494771	4532139
Total.....		1494771	4532139
Profit \ Loss Before Taxation		-1494771	-4532139
Provision for Taxation		0	0
Profit \ Loss After Taxation		-1494771	-4532139
Accumulated Profit of Previous Year		-7263465	-2731326
Profit After Taxation		-8758236	-7263465
Earning Per Share		-0.25	-0.77
Siignificant Accounting Policies Notes on Accounts	H		

Schedule referred to above from an intergal part of Profit & Loss Account
As per our report of even date

For, Hiren R. Patel & Co.
Chartered Accountants
H.R. Patel
(Hiren Patel)
Proprietor

Place : Ahmedabad
Date : 04.09.2010



For, Heera Ispat Ltd. ,

Ca. J. J. J.
Director *J. J. J.*
Director

Place : Godhara
Date : 04.09.2010

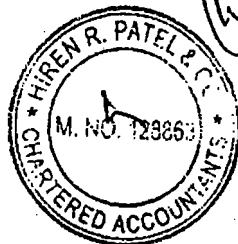
HEERA ISPAT LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2010

PARTICULARS	FOR THE YEAR ENDED 30.06.2010 AMOUNT (IN RS.)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before tax and Extraordinary Items	(1494771)
<u>Adjusted for:</u> Depreciation / Amortisation	1394299 (100472)
Operating Profit before Working Capital Changes	
<u>Adjusted for:</u> Trade Payable and other Liabilities	(200028)
Net Cash Flow from Operating Activities (A)	(300500)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Increase in Preliminary Exp	0
Net Cash Flow from Investing Activities (B)	0
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from borrowing	300000
Net Cash Flow from Financing Activities (C)	300000
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(500)
Cash and Cash Equivalents at beginning of period	565249
Cash and Cash Equivalents at end of period	564749
Net Increase / (Decrease) in Cash and Cash Equivalents	(500)
Notes	
1. The above Cash Flow Statement has been prepared under Indirect Method set out in AS - 3, notified in companies (Accounting Standards) Rules, 2008.	
2. Figures in bracket indicate cash outflow	

This is the Cash Flow Statement referred to in our report of even date

For, Hiren R. Patel & Co.
Chartered Accountants
H.R. Patel
(Hiren Patel)
Proprietor



For, Heera Ispat Ltd.
H. J. Joshi
Director
J. Joshi
Director

Place : Ahmedabad
Date : 04.09.2010

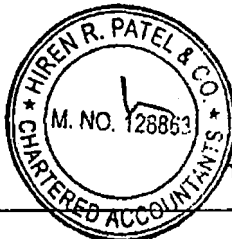
Place : Godhara
Date : 04.09.2010

HEERA ISPAT LTD

2009-10

SCHEDULE FORMING PART OF THE ACCOUNTS

PARTICULARS	CURRENT YEAR AMOUNT Rs.	PREVIOUS YEAR AMOUNT Rs.
SCHEDULE-A		
Share Capital AUTHORISED SHARE CAPITAL 60,00,000 Equity Shares of Rs.10/- each.	60000000	60000000
ISSUED, SUBSCRIBED & PAID UP 57,12,000(P.Y.5712000) Equity Shares of Rs.10/- each fully paid up 1,70,800(P.Y.170800) Equity Shares of Rs.5/- paid up	57120000 854000	57120000 854000
Total...>	57974000	57974000
SCHEDULE-C		
Current Assets, Loans & Advances		
1. Inventories	0	0
2. Sundry Debtors	0	0
3. Cash & Bank Balance		
- Bank of Baroda	0	0
- Cash on Hand	564749	565249
	564749	565249
4. Loans & Advances (Unsecured but considered good) Advances Recoverable in Cash or kind Advance for Capital goods Advance to Others	200000 39089135 0	200000 39089135 0
	39289135	39289135
Total...>	39853884	39854384
SCHEDULE-D		
Current Liability & Provisions Sundry Creditors for Expenses	637659	837687
Total...>	637659	837687
SCHEDULE-E		
Preliminary Expense(To the extent not written off)		
Preliminary Exp.	0	14255
Less : During the year	0	14255
	0	0
Public Issue Expense	0	2573734
Less : During the year	0	2573734
	0	0
Profit & Loss Accounts		
Opening Balances	-7263465	-2731326
Add: Loss during the year	-1494771	-4532139
Total...>	-8758236	7263465
SCHEDULE-G		
Administrative Expenses		
Accounting Charges	3500	3500
Audit Fees	10500	10500
Bank Charges	0	8014
Depreciation	1394299	1767664
Internal Audit Fees	0	2500
Listing Fees	42500	42500
Preliminary Expenses W/o	0	2587989
Professional Charges	43472	41472
Roc Exp	500	68000
Total...>	1494771	4532139



FOR, HEERA ISPAT LIMITED

FOR, HEERA ISPAT LIMITED

HEERA ISPAT LTD

2009-10

SCHEDULE-B

FIXED ASSETS

Sr. No.	Description	Gross Block at cost				Depreciation			NET BLOCK		
		Balance as on 01.07.2009	Addition during the year	Deduction during the year	Balance As on 30.06.2010	Balance as on 01.07.2009	Addition During The year	Deduction during the year	Balance As on 30.06.2010	Balance As on 30.06.2010	Balance as on 30.06.2009
1	Land	512462	0	0	512462	0	0	0	0	512462	512462
2	Factory Building	3521150	0	0	3521150	498054	302310	0	800364	2720786	3023096
3	Plant & Machinery	8980514	0	0	8980514	1796942	999235	0	2796177	6184337	7183572
4	Office Building	135000	0	0	135000	9685	6266	0	15951	119049	125315
5	Furniture & Fixture	25047	0	0	25047	7142	3241	0	10383	14664	17905
6	Vehicle	413010	0	0	413010	177108	61075	0	238183	174827	235902
7	Computer	95550	0	0	95550	58975	14630	0	73605	21945	36575
8	Tubewell	37215	0	0	37215	6818	4228	0	11046	25169	30397
9	Office Equipment	26250	0	0	26250	7936	3315	0	11251	14999	18314
	Total(A)	13746198	0	0	13746198	2562660	1394299	0	3956959	9789239	11183538
	Capital Work in Progress	510300	0	0	510300	0	0	0	0	510300	510300
	Total(B)	510300	0	0	510300	0	0	0	0	510300	510300
	Total(A+B)	14256498	0	0	14256498	2562660	1394299	0	3956959	10299539	11693838

FOR, HEERA ISPAT LIMITED

H. R. Patel
DIRECTOR

FOR, HEERA ISPAT LIMITED

H. R. Patel
DIRECTOR



HEERA ISPAT LTD 2009-10

SCHEDULE - H

NOTES FORMING PART OF ACCOUNTS :

SIGNIFICANT ACCOUNTING POLICIES

1) SIGNIFICANT ACCOUNTING POLICIES

The accounts are prepared on an accrual basis and under the historical cost conventions, and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company affairs and the Institute of Chartered Accountants of India.

2) FIXED ASSETS:

Tangible Fixed assets are stated at original cost of acquisition including taxes, duties, freight and the incidental expenses related to acquisition of the concerned asset. Fixed assets are stated at cost of acquisition / Construction or cost. Depreciation is provided during the year on fixed assets as decided by the management.

3) DEPRECIATION:

Depreciation on fixed assets has been provided by using written down method at the rates specified in schedule - XIV to the Companies Act, 1956.

4) CONTINGENT LIABILITIES:

Contingent Liabilities are disclosed after careful evaluation of facts & legal aspects of the matter involved.

5) TAXES ON INCOMES :

Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws. As the company has suffered loss during the year under review, no provision has been made in respect of current tax.

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 recognised 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. As the Company has made losses during the year under review no provision for deferred loss has been made by the management.



FOR, HEERA ISPAT LIMITED

H. Jain
DIRECTOR

FOR, HEERA ISPAT LIMITED

[Signature]
DIRECTOR

7) EARNING PER SHARE:

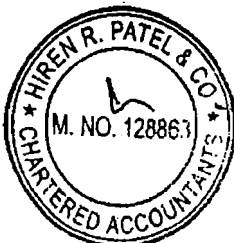
The company reports basic and diluted earnings per share in accordance accounting standard (AS) 20 "Earning per share" issued by the institute chartered accountants of India. Basic Earning per share and Diluted ear per share is computed by dividing the net profit or loss for the year by weighted average number of Equity shares outstanding during years as adjust for the effect of all dilutive potential equity share except, where results are until-dilutive.

NOTES FORMING PARTS OF ACCOUNTS:

1. As informed to us by the company, contingent liabilities not provided for Nil.(P.Y. Rs.Nil)
2. Estimated amount of contracts remaining to be executed on capital account not provided as informed to us by the management.
3. The break up of Auditors Remuneration is as under :

		For the year ended on 30-06-2010	For the year ended on 30-06-2009
Audit	Fees	10500	10500
Total		10500	10500

4. Balance confirmation from any party / banks are not obtained by the company which are subject to adjustments if any and Bank balances are subject reconciliation.
5. The company has entered into an agreement for sale of 7538 square meters of land, on 11th July, 1994 with (1) Chandulal Tribhovandas Mistry and his 4 family members (2) Upendra Chandulal Mistry and his 4 family members, (3) Smt. Kamlaben C Mistry, (4) Smt. Gitaben N Mistry, (5) Smt. Hasumati R Mistry, (6) Bharatkumar G. Mistry, (7) Smt. Ramuben T Mistry, with the condition that possession of land which the company can develop and do the construction activity for it's factory. Hence land development has been shown in Fixed asset schedule even though land is not shown, as Fixed asset due to final sale deed if purchase of land is not made. As informed by the Management final sale deed for lands is yet not executed and extends the period for final sale deed.



FOR, HEERA ISPAT LIMITED

H. J. J. J.
DIRECTOR

FOR, HEERA ISPAT LIMITED

[Signature]
DIRECTOR

6 Earning Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit/(loss) after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholder. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Computation of EPS as per AS - 20

Particulars	Current Year	Previous Year
Net Profit After Tax	-1494771	-4532139
No. of Shares	5882800	5882800
Earning Per Share	-0.25	-0.77

7. (a) Dues to small scale Industrial Undertaking is disclosed based on the information available with the company regarding the status of the suppliers as defined under the "Interest on Delayed Payments to small Scale & Ancillary Industrial Act, 1993."

(b) Unpaid interest as on 30th June, 2010 Rs. Nil (previous year Rs. Nil)

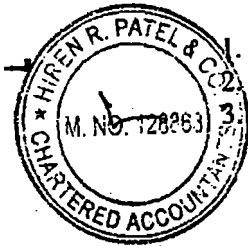
8. In the opinion of the management, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business which includes advances given for advances given to the parties and recovery is also not received as per mutual understanding. The Company has also not given clarification for advances given for capital expenditure and negotiation with suppliers and accordingly adequate provision should be made which is under consideration of the management and to that extent profitability will be adversely affected as when provision be made.

9. Related party disclosures:

As required by accounting standards: as 18" Related parties disclosure issued by the institute of chartered accountants of India are as under:

- (a) List of Related parties with whom transaction have taken place during the year and relationship.

Sr.No.	Name of Related party	Relation ship
	Chandulal T. Mistry	Brother of Director
	Hasumati R. Mistry	Director
	Ramesh T. Mistry	Director



FOR, HEERA ISPAT LIMITED

H. Mistry
DIRECTOR

FOR, HEERA ISPAT LIMITED

H. Mistry
DIRECTOR

(b) There is no transaction during the year.

(c) Outstanding balance as on 30.06.2010

Name of Party	2009-2010		2008-2009	
	Year end	Max Bal	Year end	Max Bal
	Bal Rs.		Bal Rs.	
Chandulal T Mistry	285000	285000	285000	285000
Hasumati R. Mistry	295000	295000	295000	295000
Ramesh T Mistry	295000	295000	295000	295000

10.. Additional information pursuant to the provision of the paragraph 3 & 4 of the part II of the schedule VI of the Companies Act, 1956.

- 1) Quantitative details of goods manufactured Nil
- 2) CIF Value of imports in respect of Nil

- (a) Raw Material Nil
- (b) Components & spare parts Nil
- (c) Capital Goods Nil

3) Expenditure in Foreign Currency Nil

4) Earnings in Foreign Currency Nil

5) Remittance on A/c of Dividend Nil

11. For the Current Year on review, as required by the Accounting Standard 28, Impairment of Fixed Assets, the management is of the opinion that no impairment or reversal of loss is required.

12. Previous year figures have been reclassified / regrouped whenever considered necessary to confirm to the current year figures.

13. The statement of Significant Accounting Policies and the Notes numbered 2 to 11 above form an integral part of the accounts for the year ended 30th June, 2010

As per our Report of even date

For Hiren R. Patel & CO.

Chartered Accountants

FRN.: 128984W

H.R. Patel

(Hiren R. Patel)

Proprietor

Mem. No. : 128863

Place : Ahmedabad

Date : 04.09.2010

FOR Heera Ispat Ltd.

U. Jaiswal *R. K. Patel*

DIRECTOR DIRECTOR

Place : Godhara

Date : 04.09.2010



ATTENDANCE SLIP

I Shri/Smt. _____ of _____

being a member/ proxy of HEERA ISPAT LIMITED do hereby record my presence at the 18th Annual General Meeting of the members of the Company to be held on Thursday the 30th September, 2010, at 04.00 P.M. at 13/A, Vishwakarma, Near Gandhi Chawk, Godhara, Gujarat: 398 001.

Name of Shareholder

Ledger Folio No

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held

Date:

Place:

(Signature of the Member/
Proxy attending the meeting)

PROXY FORM

Name of Shareholder

Ledger Folio No

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held

I Shri/Smt. _____ being a member of HEERA ISPAT LIMITED, holding _____ Shares in the company do hereby appoint Shri _____ of _____ or failing him Shri _____ of _____ or failing him Shri _____ of _____ to remain present at the 18th Annual General Meeting of the members of the Company to be held on Thursday the 30th September, 2010, at 04.00 P.M. at 13/A, Vishwakarma, Near Gandhi Chawk, Godhara, Gujarat: 398 001 or at any adjournment thereof and to vote for and on my behalf if poll is granted.

Affix Rs 1/- revenue stamp

Date:

Place:

(Signature of the member
Appointing a Proxy)