LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as Equity Shareholder(s) of Hira Ferro Alloys Limited. If you require any clarifications about the action to be taken, you should consult your stock broker or investment consultant or the Manager/ Registrar to the Offer. In case you have recently sold your Shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

M/S Hira Industries Limited (Registered Office at 572, Urla Industrial Area, Raipur - 493221, Chhattisgarh Tel. No. +91-771-232 3128, Fax No. +91-771-2323 040), ("the Acquirer")

Makes a Cash Offer at Rs. 120/- (Rupees One Hundred and Twenty only) per fully paid-up equity share of Rs. 10 (Rupees Ten only) to acquire upto

783,540 Paid-up Equity Shares of face value of Rs. 10/- each, representing in the aggregate 20% of the fully diluted equity voting capital ("Offer") of the Target Company

Hira Ferro Alloys Limited ("Target Company")
a company incorporated under the Companies Act, 1956
(Registered office at: **567 B, Urla Industrial Area, Raipur - 493221, Chhattisgarh**)
Tel : +91-771-232 3800 Fax : +91-771-232 3046

Note:

- This Offer is being made pursuant to and in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.
- This offer is not a conditional offer and is not subject to any minimum level of acceptance.
- This offer is not a competitive bid.
- The acquisition of shares tendered by non-resident shareholders of the Target Company may require RBI approval under the Foreign Exchange Management Act, 1999 ("FEMA").
- **Shareholders, who have accepted the Offer by tendering the requisite documents, in terms of the public announcement/ Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer viz. June 04, 2008 (Wednesday).**
- Regulation 26 of the SEBI (Substantial Acquisition and Takeover) Regulations 1997 provide for an upward revision of Offer in respect of the price and the number of shares to be acquired, at any time up to seven working days (i.e. **May 29, 2008, (Thursday)** prior to the date of closure of the offer. i.e. **June 09, 2008, Monday**. The same price will be paid by the Acquirer for all the shares tendered any time during the open offer. Any revision(s) in the offer price will be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement was made.
- The Acquirer can withdraw this offer, only under circumstances as mentioned under Regulation 27(1) and in this event the same would be informed by way of Public Announcement in the same news papers where the original Public Announcement has appeared.
- **There has been no competitive bid in respect of this Open Offer announced by the Acquirer till the date of this Letter of Offer.**
- **A copy of the public announcement and this Letter of Offer (including the Form of Acceptance cum Acknowledgement and the Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in).**
- The procedure for acceptance is set out in **Para No.9** of the Letter of offer. A form of acceptance cum acknowledgement and instrument of transfer are enclosed with the Letter of offer.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
IL&FS INVESTSMART INDIA'S FINANCIAL MULTIPLEX **IL&FS Investsmart Securities Ltd.** The IL& FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Tel : +91-22-2653 3333; Fax: +91-22-6693 1862 Email: hfal.openoffer@investsmartindia.com Contact person: Mr. Rohan Saraf	INTIME SPECTRUM REGISTRY LIMITED Crisp. Clear. Connected **Intime Spectrum Registry Ltd.** C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Tel : +91-22-5555 5491; Fax: +91-22-5555 5499 Email: hil.openoffer@intimespectrum.com Contact person: Ms. Awani Thakkar

Activity	Original Schedule Date and Day	Revised Schedule Date and Day
Public Announcement (PA) Date	March 5, 2008, Wednesday	March 5, 2008, Wednesday
Specified Date (for the purpose of determining the names of Shareholders to whom the Letter of Offer would be sent)	March 28, 2008, Friday	March 28, 2008, Friday
Last date for a competitive bid	March 26, 2008, Wednesday	March 26, 2008, Wednesday
Date by which Letter of Offer to be dispatched to shareholders	April 11, 2008, Friday	May 12, 2008, Monday
Date of Opening of the Offer	April 25, 2008, Friday	May 20, 2008, Tuesday
Last date for revising the Offer price.	May 05, 2008, Monday	May 29, 2008, Thursday
Last date for withdrawal of shares by the shareholders who have submitted their shares in the offer	May 9, 2008, Friday	June 04, 2008, Wednesday
Date of Closure of the Offer	May 14, 2008, Wednesday	June 09, 2008, Monday
Last Date by which acceptance / rejection under the offer would be intimated and the corresponding payment for the acquired shares and/or the unaccepted shares/ share certificate will be dispatched.	May 28, 2008, Wednesday	June 23, 2008, Monday

RISK FACTORS

Given below are the risks related to the transaction, the proposed Offer and getting associated with the Acquirer:

a) The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer. The shares of Target Company are currently listed on Madhya Pradesh Stock Excahnge (MPSE), Indore and Delhi Stock Exchange (DSE). There has been no trading in the equity in the equity shares of the Company for more than a decade on MPSE or DSE..

b) 2,755,000 equity shares allotted by the Company on preferential basis during the year 1994-1995 and 2005 are not listed and permission for listing is awaited from the Stock Exchanges where the Company's shares are listed. The existing 1,162,700 listed shares have been suspended for trading on DSE since January 9, 2002 and the Target Company's' request for permission for trading of existing shares and listing of shares issued on preferential basis is pending with the respective stock exchanges. The acquirer has decided for open offer for 20% of the issued equity share capital of the Target Company.

c) The Acquirer makes no assurance with respect to the financial performance of the Target Company. The Acquirer makes no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.

d) Registrar to the offer will hold in trust the tendered shares/ share certificates and the tendered shares lying to the credit of a designated special escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of the Target Company.

e) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The Shareholder(s) of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

DEFINITIONS

The Acquirer	M/S Hira Industries Limited (A Company incorporated Under Indian Companies Act, 1956)
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956
DP	Depository Participants
DSE	Delhi Stock Exchange
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares of the Target Company (except the Acquirer and deemed PACs) anytime before the Closure of the Offer.
FEMA	Foreign Exchange Management Act ,1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
INR or Rs.	Indian Rupees
IT Act	Income Tax Act, 1961
LoF	Letter of Offer
Manager/Manager to the Offer/IISL	IL&FS Investsmart Securities Limited
MPSE	Madhya Pradesh Stock Exchange, Indore
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer	Open Offer for acquisition of upto 783,540 fully Paid-up Equity Share of face value of Rs. 10/- each, representing in the aggregate 20% of the fully diluted equity voting capital.
Offer Price	Rs.120 (Rupees One Hundred Twenty only) per fully paid-up equity share of Rs. 10/-
Persons deemed to be Acting in Concert with Acquirer /Deemed PACs	Mr.Bajrang Lal Agrawal, Mrs. Sarita Agrawal, Mr. Abhishek Agrawal, Mr. Sidharth Agrawal, Mr. Hanuman Prasad Agrawal, Jagdish Prasad Agrawal (HUF), Bajrang Lal Agrawal (HUF), Mr. Jagdish Prasad Agrawal, Mrs. Madhu Agrawal, Mrs. Godavari Devi Agrawal, Mr. Suresh Agrawal, Hanuman Prasad Agrawal (HUF), Mrs. Sita Devi Agrawal, Mrs. Kanika Agrawal, Mr. Amit Agrawal, Mrs. Reena Agrawal, Ram Richpal Agrawal (HUF), Mr. Dinesh Agrawal, Mr. Narayan Prasad Agrawal, Mr. G. P. Agrawal, M/s Hira Steels Limited, M/s Godawari Power & Ispat Limited, M/s R. R. Ispat Limited, M/s Hira Cement Limited, M/s Hira Power & Steels Limited and M/s Alok Ferro Alloys Limited
Public Announcement/PA	Announcement of the Offer made by Acquirer on **March 5, 2008**
RBI	Reserve Bank of India
Registrar/Registrar to Offer	Intime Spectrum Registry Ltd
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
Share(s)	Fully paid-up equity shares of face value of Rs. 10 each of Hira Ferro Alloys Limited
Specified Date	**March 28, 2008**
Target Company/HFAL	Hira Ferro Alloys Limited
UCP	Under Certificate of Posting

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HIRA FERRO ALLOYS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER/DEEMED PACs OR TARGET COMPANY, WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - IL&FS INVESTSMART SECURITIES LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED MARCH 12, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE ACQUIRER AND DEEMED PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

2. DETAILS OF THE OFFER

2.1 Background

2.1.1 This offer is being made to the equity share holders of Hira Ferro Alloys Limited (HFAL) by M/s Hira Industries Limited (Acquirer), a Company belonging to Hira Group of Industries, Raipur and one of the promoters of the Target Company.

2.1.2 Mr.Bajrang Lal Agrawal, Mrs. Sarita Agrawal, Mr. Abhishek Agrawal, Mr. Sidharth Agrawal, Mr. Hanuman Prasad Agrawal, Jagdish Prasad Agrawal (HUF), Bajrang Lal Agrawal (HUF), Mr. Jagdish Prasad Agrawal, Mrs. Madhu Agrawal, Mrs. Godavari Devi Agrawal, Mr. Suresh Agrawal, Hanuman Prasad Agrawal (HUF), Mrs. Sita Devi Agrawal, Mrs. Kanika Agrawal, Mr. Amit Agrawal, Mrs. Reena Agrawal, Ram Richpal Agrawal (HUF), Mr. Dinesh Agrawal, Mr. Narayan Prasad Agrawal, Mr. G. P. Agrawal, M/s Hira Steels Limited, M/s Godawari Power & Ispat Limited, M/s R. R. Ispat Limited, M/s Hira Cement Limited, M/s Hira Power & Steels Limited and M/s Alok Ferro Alloys Limited are the persons / entities shown as part of the promoter group in the shareholding pattern of the Target Company submitted to the Stock Exchanges. Hence, all the above named persons / entities are deemed to be Persons Acting in Concert with the Acquirer.

2.1.3 Currently, the Acquirer holds 788,000 equity shares representing 20.11% of the paid up equity capital of the Target Company. The Acquirer is making a voluntary offer to the shareholders pursuant to Regulation 11(1) of SEBI (SAST) Regulations with the objective of consolidation of their holding in the Company. Assuming that the open offer receives 100% response, the Acquirer will hold 1,571,540 equity shares representing 40.11% of the paid up equity capital of the Target Company.

2.1.4 Mr. Bajrang Lal Agrawal is a director on the boards of other Deemed PAC Companies viz. Hira Steels Limited, Godawari Power & Ispat Limited, Hira Cement Limited and Alok Ferro Alloys Limited.

2.1.5 Mr. Suresh Agrawal is a director on the boards of R. R. Ispat Limited and Hira Cements Limited.

2.1.6 Mr. Bajrang Lal Agrawal, Mr. Hanuman Prasad Agrawal and Narayan Prasad Agrawal are shareholders and directors of the Target company.

2.1.7 All the Deemed PAC's are shareholders of the Target Company and also Deemed PAC's with the Promoters of the Acquirer.

2.1.8 The Acquirer and the deemed PAC's have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

2.1.9 The Acquirer does not intend to make any changes to the Board of Directors of the Target Company.

2.1.10 The Acquirer has acquired 755,000 equity shares of Rs.10/- each representing 19.27% fully paid up equity capital of the Target Company at a price of Rs.70/- per share from M/s ETP Corporation Ltd, a person deemed to be acting in concert with the promoters vide agreement dated February 22, 2008. The Acquirer has filed a report under Regulation 3(4) of the SEBI (SAST) Regulations seeking exemption in respect of this transaction under Regulation 3(1)(e) of the SEBI (SAST) Regulations vide letter dated March 4, 2008.

2.1.11 The existing shareholding of Acquirer and Deemed PAC's in HFAL as on the date of PA is as under :

S. No.	Name	Number of shares held	(c) as a % to total Equity capital
(a)	(b)	(c)	(d)
	Acquirer		
1	Hira Industries Limited	788,000	20.11
	Sub-total(I)	788,000	20.11
	Deemed PACs		
2.	Bajrang Lal Agrawal	20,800	0.53
3.	Sarita Agrawal	4,400	0.11
4.	Abhishek Agrawal	200	0.01
5.	Siddharth Agrawal	200	0.01
6.	Hanuman Prasad Agrawal	21,000	0.54
7.	Jagdish Prasad Agrawal (HUF)	900	0.02
8.	Bajrang Lal Agrawal (HUF)	600	0.02
9.	Jagdish Prasad Agrawal	600	0.02
10.	Madhu Agrawal	39,900	1.02
11.	Godawari Devi Agrawal	38,500	0.98
12.	Suresh Agrawal	161,600	4.12
13.	Hanuman Prasad Agrawal (HUF)	800	0.02
14.	Sita Devi Agrawal	12,800	0.33
15.	Kanika Agrawal	900	0.02
16.	Amit Agrawal	2,500	0.06
17.	Reena Agrawal	36,300	0.93
18.	Ram Richhpal Agrawal (HUF)	2,000	0.05
19.	Dinesh Agrawal	54,000	1.38
20.	Narayan Prasad Agrawal	51,400	1.31
21.	G. P. Agrawal	42,200	1.08
22.	Hira Steels Limited	10,000	0.26
23.	Godawari Power and Ispat Limited	52,000	1.33
24.	R. R. Ispat Limited	394,000	10.06
25.	Hira Cement Limited	130,000	3.32
26.	Hira Power and Steels Limited	10,900	0.28
27.	Alok Ferro Alloys Limited	195,000	4.98
	Sub-total(II)	*1,283,500*	*32.76*
	Total	**2,071,500**	**52.88**

2.1.11The share holding of the Acquirer and deemed PACs in HFAL after the completion of the open offer assuming 100% response to the same would be as under:

S.No	Name of Acquirer / Deemed PAC	Number of shares held prior Acquisition referred to above	Shares proposed to be acquired under the offer	Total shares after the offer	% to total Equity capital
	Acquirer				
1.	Hira Industries Limited	7,88,000	783,540	1,571,540	40.11
	Sub-total(I)	***7,88,000***	***783,540***	***1,571,540***	***40.11***
	Deemed PACs				
2.	Bajrang Lal Agrawal	20,800	-	20,800	0.53

3.	Sarita Agrawal	4,400	-	4,400	0.11
4.	Abhishek Agrawal	200	-	200	0.01
5.	Siddharth Agrawal	200	-	200	0.01
6.	Hanuman Prasad Agrawal	21,000	-	21,000	0.54
7.	Jagdish Prasad Agrawal (HUF)	900	-	900	0.02
8.	Bajrang Lal Agrawal (HUF)	600	-	600	0.02
9.	Jagdish Prasad Agrawal	600	-	600	0.02
10.	Madhu Agrawal	39,900	-	39,900	1.02
11.	Godawari Devi Agrawal	38,500	-	38,500	0.98
12.	Suresh Agrawal	161,600	-	161,600	4.12
13.	Hanuman Prasad Agrawal (HUF)	800	-	800	0.02
14.	Sita Devi Agrawal	12,800	-	12,800	0.33
15.	Kanika Agrawal	900	-	900	0.02
16.	Amit Agrawal	2,500	-	2,500	0.06
17.	Reena Agrawal	36,300	-	36,300	0.93
18.	Ram Richhpal Agrawal (HUF)	2,000	-	2,000	0.05
19.	Dinesh Agrawal	54,000	-	54,000	1.38
20.	Narayan Prasad Agrawal	51,400	-	51,400	1.31
21.	G. P. Agrawal	42,200	-	42,200	1.08
22.	Hira Steels Limited	10,000	-	10,000	0.26
23.	Godawari Power and Ispat Limited	52,000	-	52,000	1.33
24.	R. R. Ispat Limited	394,000	-	394,000	10.06
25.	Hira Cement Limited	130,000	-	130,000	3.32
26.	Hira Power and Steels Limited	10,900	-	10,900	0.28
27.	Alok Ferro Alloys Limited	195,000	-	195,000	4.98
	Sub-total(II)	***1,283,500***	***-***	***1,283,500***	***32.76***
	Total	***2,071,500***	***783,540***	***2,855,040***	***72.87***

2.2 The Details of the Proposed Offer

2.2.1 The Public Announcement dated March 5, 2008 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication *	**Language**	**Edition**
Business Standard	English	All editions
Pratahkal	Hindi	All editions
Jansatta	Hindi	Raipur

Date of Publication: March 5, 2008, respectively.

A Corrigendum to the above Public Announcement containing inter-alia the revised activity schedule shall be released in the same publications in which the above mentioned Public Announcement dated March 5, 2008 was released.

(The Public Announcement and the Corrigendum shall also be available on the SEBI website: www.sebi.gov.in)

2.2.2 The Acquirer is making a voluntary offer to the public shareholders of Hira Ferro Alloys Limited to acquire up to 783,540 fully Paid-up Equity Shares of face value of Rs. 10/- each, representing in aggregate 20% of the fully diluted equity voting capital of the Target Company at a price of Rs. 120/- per (Rupees One Hundred Twenty only) per share ('' Offer Price''), payable in cash.

2.2.3 As on the date of PA, the total paid up capital of the Target Company was Rs. 391.77 lacs comprising of 3,917,700 fully paid up equity shares of Rs. 10 each.

2.2.4 There are no partly paid-up Shares in the Target Company.

2.2.5 The entire consideration is payable in cash and hence there is no differential pricing.

2.2.6 There has been no competitive bid in the Offer till the date of the Letter of Offer.

2.2.7 This offer is not a conditional offer and is not subject to any minimum level of acceptance.

2.2.8 The Acquirer has acquired 755,000 equity shares of Rs.10/- each representing 19.27% fully paid up equity capital of the Target Company at a price of Rs. 70/- per share from M/s ETP Corporation Ltd, a person deemed to be acting in concert with the promoters vide agreement dated February 22, 2008. The Acquirer and deemed PACs have not acquired any equity shares since the date of public announcement.

2.2.9 To the extent of the Offer Size, all Shares of the Target Company that are validly tendered and accepted pursuant to this Offer are proposed to be acquired by the Acquirer.

2.2.10 The Shares to be acquired under this Letter of Offer are to be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

2.2.11 This Offer is made to all Shareholders except the Acquirer and deemed PACs.

2.2.12 The Letter of Offer is being sent to those Shareholders (except the Acquirer and the deemed PACs) whose name(s) appeared in the Register of Members of the Target Company at the close of business hours on March 28, 2008, being the Specified Date, as required under the Regulations.

2.3 Object of the Offer

2.3.1 The Acquirer is making this voluntary offer to the shareholders of the Target Company pursuant Regulation 11(1) of SEBI (SAST) Regulations with the objective of consolidation of its holdings in the Company.

2.3.2 After the completion of the offer, assuming 100% response to the same, the Acquirer shall hold 1,571,540 equity shares of HFAL representing 40.11% of its total equity capital and 40.11% of the fully diluted voting capital of HFAL.

3 BACKGROUND OF THE ACQUIRER

M/s Hira Industries Limited ("Acquirer")

a) M/s Hira Industries Limited (HIL) a public limited company incorporated under the Indian Companies Act, 1956 and presently having its registered office at 572, Urla Industrial Area, Raipur Chhattisgarh, Tel. No.:+91-771-2323128 Fax No.:+91-771-4057601 and Corporate Office at Hira Arcade, 1st Floor, Pandri, Raipur, 492 001 Tel. No: +91-771-4282745, Fax no: +91-771-4057601.

b) The company was incorporated on October 20, 1983 under the name and style as Jai Bajrang Cement Private Limited and the status of the company has been changed from Private to Public w.e.f. April 16, 1991. Subsequently its name was changed to M/s Hira Industries Limited w.e.f. June 21, 1991.

The Company at present is primarily engaged in the business of iron ore crushing with an installed capacity of 600,000 MTA, trading in minerals & Cement and allied activities and has its manufacturing facility at Jagdalpur, Chhattisgarh.

c) The Company belongs to the Hira Group of Industries, Raipur and is promoted by Mr. B.L. Agrawal, Mr. N. P. Agrawal and M/s Hira Cement Limited.

Shareholding Pattern of the Acquirer as on March 5, 2008 (date of PA)

Sr. No	Shareholder's category	No of shares	Percentage (%age)
A	**Promoters**		
1	Mr. B. L. Agrawal	424000	24.46
2	Mr. N. P. Agrawal	6000	0.35
	Sub Total (A)	**430,000**	**24.81**
B	**Persons Acting in Concert**		
3	Mrs. Sarita Devi Agrawal	561,070	32.37
4	Mr. Siddharth Agrawal	90,000	5.19
5	Mr. Abhishek Agrawal	96,160	5.55
6	Mr. Kumar Agrawal	67,140	3.87
7	M/s Hira Cement Limited (formerly known as M/s Shree Hira Exim Ltd.)	489,130	28.22
	Sub Total (B)	**1,303,500**	**75.19**
	Total	**1,733,500**	**100.00**

Note: The Company M/s. Hira Industries Limited sub-divided its share capital in the financial year 2007-08 from Rs.100/- to Rs.10/- per share and also increased its Authorized Share Capital from Rs. 175 lakhs to Rs. 285 Lakhs.

d) The Board of Directors of HIL as on the date of Public Announcement was as follows:

Name & Designation of the Directors	Residential Address	Date of appointment	Directorship in Listed Companies
Shri Bajrang Lal Agrawal, Non- Executive Director	"Sidharth" Gita Nagar, Choubey Colony, Raipur, C.G. PIN - 492 001.	19.08.2002	M/s. Godawari Power and Ispat Limited M/s Hira Ferro Alloys Limited
Shri Suresh Agrawal, Non- Executive Director	Matri Chaya, Jail Road, Phaphadih, Raipur (C.G.)	20.12.2005	None
Shri Ajay Ahluwalia Non- Executive Director	Plot No. D - 143, M.R. Colony, Tagore Nagar, Raipur (C.G.)	01.03.2001	None
Shri Y.C. Rao Non-Executive Director	B-31, Green Orchid, Avani Vihar, Raipur, (C.G.)	25.03.1998	M/s Hira Ferro Alloys Limited

Educational Qualification, experience etc of the Promoters/ Directors of the Company.

Mr. Bajrang Lal Agrawal, 54 years, is an Electrical Engineer from Pandit Ravi Shankar Shukla University, Raipur. He is the promoter and the Managing Director of the Acquirer. He has over three decades of experience in the steel and ferro alloys industry. He is currently on the board of Godawari Power and Ispat Limited, Hira Steels Limited, Hira Ferro Alloys Limited, Alok Ferro Alloys Limited, Maruti Clean Coal and Power Limited, Chhattisgarh Power and Coal Beneficiation Limited, Hira Power and Alloys Limited, Sagar Energy and Steels Limited, Chhattisgarh Captive Coal Mining Limited, Hira Cement Limited and Shourya Diamonds Limited. He has been associated with the Acquirer since inception.

Mr. Suresh Agrawal, 40 years, is a commerce graduate from the Pandit Ravi Shankar Shukla University, Raipur. He has over 14 years of experience in the operation and maintenance of Cement Plant and setting up of automatic Steel Wire Rod Mills and is also well versed in marketing. He is currently on the Board of R.R. Ispat Limited and Hira Cement Limited. He has been associated with our Company since December, 1996 and has been appointed as the Director with effect from December, 2005.

Mr. Ajay Ahluwalia, 47 years is a Science Graduate from the Pandit Ravi Shankar Shukla University, Raipur and Master Degree holder in Personnel Management from Pune University. He has 24 years of vast experience in Personnel Management and General Administration. He has associated with the company and other group companies in various capacities for the last 2 decades and has been appointed as Director with effect from March, 2001.

Mr. Yarra Chandra Rao, 43 years, is a Fellow Member of the Institute of Company Secretaries of India and an Associate Member of the Institute of Cost and Works Accountants of India apart from being a Law Graduate from the University of Calcutta. He started his career with M/s. Orient Paper and Industries Limited, one of the Birla Group of Companies. He has also been associated with M/s. Paradeep Phosphates Limited (a Joint Venture with the Government of Nauru) as Company Secretary for four years. He is responsible for all the secretarial and legal compliances under various enactments and legal case relating to Central Excise and other Statutes. He has been associated with the Acquirer since April, 1996 in different capacities.

e) Shri B.L. Agrawal and Shri Y.C. Rao are holding Directorship in both acquirer and target companies. No other Director of HIL is on the board of Hira Ferro Alloys Limited (HFAL).

f) HIL is an unlisted company

g) The Acquirer company has complied with provisions of Chapter II of the SEBI (SAST) Regulations. Please refer to page number 16 for details.

h) HIL has the total paid up capital of Rs.173.35 lacs comprising of 1,733,500 fully paid up equity shares of Rs. 10/- each.

i) Brief audited financial details for a period of last three years and brief certified financials for nine months ended December 31, 2007 are given below:

(Amount Rs. in lacs)

Profit & Loss Statement	2004-2005 (Audited)	2005-2006 (Audited)	2006-2007 (Audited)	For the nine months ended 31.12.2007 (Certified)
Income from operations	458.05	857.27	1133.73	1644.46
Other Income	12.11	118.66	61.55	151.16
Total Income	470.16	975.93	1195.28	1795.62

Increase / (Decrease) in Stock	(0.18)	0.88	79.46	(14.70)
Total Expenditure	467.25	855.34	1134.74	1626.28
Profit before Depreciation, Interest and tax	2.73	121.47	140.00	154.64
Depreciation	2.57	34.12	43.41	40.10
Interest	-	22.43	28.10	25.81
Prior Period Adjustment	11.56	-	-	-
Profit before Tax	11.72	64.92	68.49	88.73
Current Tax	0.95	5.91	8.11	15.35
Deferred Tax	-	(14.46)	15.73	22.09
Profit after Tax	10.77	73.47	44.65	51.29
Balance Sheet Statement	**2004-2005 (Audited)**	**2005-2006 (Audited)**	**2006-2007 (Audited)**	**For the nine months ended 31.12.2007**
Sources of funds				
Paid up share capital	173.35	173.35	173.35	173.35
Reserves and Surplus (excluding revaluation reserves)	258.87	258.87	87.27	138.56
Net worth	432.22	432.22	260.62	311.91
Share Application money pending allotment	11.35	-	-	-
Secured loans	220.52	296.19	286.16	272.56
Unsecured loans	-	-	117.00	230.40
Deferred Payment Credit	49.55	47.09	-	-
Deferred Tax Liability	-	-	1.30	23.39
Total	713.64	775.50	665.08	838.26
Uses of funds				
Net fixed assets	263.99	287.88	403.86	389.87
Capital Work in Progress	-	95.37	-	-
Investments	6.00	111.90	113.90	437.90
Deferred Tax Assets	-	14.43	-	-
Net current assets	153.93	49.67	147.32	10.49
Total miscellaneous expenditure not written off	-	-	-	-
Profit & Loss Account	289.72	216.25	-	-
Total	713.64	775.50	665.08	838.26
Other Financial Data	**2004-2005 (Audited)**	**2005-2006 (Audited)**	**2006-2007 (Audited)**	**For the nine months ended 31.12.2007**
Dividend (%)	NIL	NIL	NIL	NIL
Earning Per Share	6.21	42.38	25.76	2.96*
Return on Net worth(%)	2.49	17.00	17.13	16.44
Book Value Per Share	82.20	124.59	150.34	17.99*

* The Company M/s. Hira Industries Limited sub-divided its share capital in the financial year 2007-08 from Rs.100/- to Rs.10/- per share and also increased its Authorized Share Capital from Rs. 175 lakhs to Rs. 285 Lakhs

j) The Reasons for fall/rise in the total income and PAT of the acquirer company are as follows:

The Company earned Total Income of Rs.1,195.28 lacs during the year ended 31st March, 2007 in comparison to Rs.975.93 lacs during the year ended 31st March, 2006. The Total Income increased by Rs.219.35 lacs due to increase in sales of cement and increased receipts from iron ore crushing charges.

The Company registered Profit after Tax (PAT) of Rs.44.65 lacs during the year ended 31st March, 2007 in comparison to Rs.73.47 lacs during the year ended 31st March, 2006. The PAT decreased by Rs.28.82 lacs. The reason for this decrease in PAT is that an amount of Rs.14.43 lacs was added in the Profit before Tax (PBT) for the financial year ended 31st March, 2006 due to Deferred Tax adjustment, whereas as an amount of Rs.15.73 lacs was deducted from the PBT for the financial year ended 31st March, 2007 for the same reason. In addition to the above, there was increase in interest and financial charges and depreciation during the year ended 31st March, 2007 due to the installation of additional Iron ore crushing plant, the full benefit of which is expected in next year.

The Company earned Total Income of Rs.975.93 lacs during the year ended 31st March, 2006 in comparison to Rs.470.16 lacs during the year ended 31st March, 2005. The Total Income increased by Rs.505.77 lacs as the company started its iron ore crushing plant during the year ended 31st March, 2006 and earned Rs.422.46 lacs as iron ore crushing charges.

The Company registered Profit after Tax (PAT) of Rs.73.47 lacs during the year ended 31st March, 2007 in comparison to Rs.10.77 lacs during the year ended 31st March, 2006. The PAT increased by Rs.62.70 lacs due increase in volume of business and commencement of new activity, which is more profitable.

k) Contingent Liabilities of HIL as on March 31, 2007 are in respect of disputed demands of:

a. State Commercial Tax - Rs. 390,092

b. Central Sales Tax - Rs. 81,458

c. Central Excise Duty - Rs. 151,344

l) The significant accounting policies are as follows:

a) System of Accounting

The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the accounting standards issued by The Institute of Chartered Accountants of India.

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.

b) Fixed Assets

Tangible Fixed assets are stated at cost less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses upto the date of commercial production and are net of CENVAT credit.

c) Depreciation

The Company has been providing depreciation by Written Down Value Method on old fixed assets prior to 1st April, 2004 as per the rates specified in Income-tax Act, 1961 and not as per Schedule-XIV of the Companies Act, 1956.

However, fixed assets acquired for new Iron Ore Crushing unit at Jagdalpur on or after 1st April, 2004 and for other additions/acquisitions in fixed assets, the depreciation is charged on Straight Line Method basis as per the rates and the manner specified in Schedule XIV of the Companies Act, 1956. However, the depreciation on all the old assets will continue to be charged at the same rates and method followed earlier.

d) Investments

Long Term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

Current Investments are stated at lower of cost and fair value.

e) Inventories

Inventories are valued “at lower of cost and net realizable value”.

f) Retirement Benefits

Contribution to the Provident Funds are made at a pre-determined rate and charged to the Profit & Loss Account. Gratuity is provided for on accrual basis at the end of each financial year.

g) **Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of fixed assets are capitalized upto the date when such assets are ready for its intended use. All other borrowing costs are charged to revenue.

h) **Taxation**

Provision for current tax and FBT is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only when there is reasonable certainty that the assets will be realized in future.

i) **Contingent Liabilities**

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for and disclosed by way of notes to the accounts.

3.1 Relationship between Acquirer and Deemed PACs.

a) Mr. Bajrang lal Agrawal is a promoter, director and shareholder of the Acquirer Company, i.e. M/s. Hira Industries Limited (HIL). Mr. Narayan Prasad Agrawal is a promoter and shareholder of HIL and also the brother of Mr. Bajrang Lal Agrawal. Mr. Siddharth Agrawal and Mr. Abhishek Agrawal are the sons of Mr. B. L. Agrawal and they also are shareholders in HIL. Mrs. Sartia Devi Agrawal is the wife of Mr. Bajrang Lal Agrawal and also a shareholder in HIL. Mr. Kumar Agrawal is the son of Mr. Narayan Prasad Agrawal and also a shareholder in HIL. Mr. Hanuman Prasad Agrawal, Mr. Jagdish Prasad Agrawal and Mr. Gopal Prasad Agrawal are the brothers of Mr. Bajrang lal Agrawal and Mr. Narayan Prasad Agrawal. Mrs. Godawari Devi Agrawal is the mother of Mr. Bajrang lal Agrawal and Mr. Narayan Prasad Agrawal. Mrs. Sita Devi Agrawal is the wife of Mr. Jagdish Prasad Agrawal. Mrs. Madhu Agrawal is the wife of Mr. Narayan Prasad Agrawal. Mrs. Reena Agrawal is the wife of Mr. Hanuman Prasad Agrawal. Mrs. Nisha Agrawal is the wife of Mr. Gopal Prasad Agrawal. Mr. Vinay Agrawal is the son of Mr. Hanuman Prasad Agrawal. Mr. Amit Agrawal and Mr. Alok Agrawal are the sons of Mr. Jagdish Prasad Agrawal. Mr. Alok Agrawal is the son of Mr. Jagdish Prasad Agrawal. Mr. Suresh Agrawal is a director in HIL. Mr. Dinesh Agrawal is the brother of Mr. Suresh Agrawal. Mrs. Kanika Agrawal is the wife of Mr. Suresh Agrawal.

b) Mr. Jagdish Prasad Agrawal is the karta of Jagdish Prasad Agrawal (HUF) and of Ram Richhpal Agrawal (HUF). Mr. Bajrang Lal Agrawal is the karta of Bajrang Lal Agrawal (HUF). Mr. Hanuman Prasad Agrawal is the karta of Hanuman Prasad Agrawal (HUF). Hira Steel Limited is a company promoted by the promoters of HIL viz. Mr. Bajrang Lal Agrawal and Mr. Narayan Prasad Agrawal with Mr. Bajrang Lal Agrawal being a common director. Godawari Power and Ispat Limited is a company promoted by promoters of HIL viz. Mr. Bajrang Lal Agrawal and Mr. Narayan Prasad Agrawal with their brothers and Mr. Bajrang Lal Agrawal being a common director.

c) R. R. Ispat Limited is a wholly owned subsidiary of Godawari Power and Ispat Limited. Hira Cement Limited is a company promoted by Mr. Bajrang Lal Agrawal with Mr. Bajrang Lal Agrawal and Mr. Suresh Agrawal being common directors. Hira Cement Limited is holding 28% shares in HIL. Alok Ferro Alloys Limited is a company promoted by HIL viz. Mr. Bajrang Lal Agrawal and Mr. Gopal Prasad Agrawal with Mr. Bajrang Lal Agrawal being a common director. Hira Power and Steels Limited is a company promoted by Mr. Om Prakash Agrawal who is a brother of Mr. Bajrang Lal Agarwal, Mr. Narayan Prasad Agrawal, Mr. Jagdish Prasad Agrawal, Mr. Hanuman Prasad Agrawal and Mr. Gopal Prasad Agrawal.

4 Disclosure in terms of regulation 16(ix) and future plans for Hira Ferro Alloys Limited

4.1 The Acquirer is making a voluntary offer with the object and purpose of consolidating its holdings in the Target Company.

4.2 The Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company in the next two years except in the ordinary course of business of the Target Company.

4.3 The Acquirer has no specific plan and the Acquirer will evolve specific plans in due course of time. Hence there is no specific implementation framework.

4.4 Further, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except in the ordinary course of business of the Target Company, except with the prior approval of shareholders of the Target Company.

5 OPTIONS IN TERMS OF REGULATION 21(3)

As stated in paras 2.1.1 and 2.1.3, the Acquirer is making a voluntary offer for consolidation of holdings in terms of Regulation 11(1) of the SEBI (SAST) Regulations. The option in terms of Regulation 21(2) is not applicable since the offer is not being made under Regulation 11(2A).

Presently, the Acquirer and deemed PACs together hold 2,071,500 equity shares representing 52.875% of the current paid-up equity capital of the Target Company. Assuming that the Offer receives 100% response from the shareholders, the shareholding of the Acquirer and deemed PACs in the Target Company shall become 2,855,040 equity shares representing 72.875% of the fully diluted voting capital. Pursuant to this Offer based on actual response in the offer, the Public shareholding in the Target Company is not expected to reduce to below the Minimum level public shareholding specified in the Listing Agreement applicable to the Target Company.

6 BACKGROUND OF HIRA FERRO ALLOYS LIMITED ("Target Company"/ "HFAL")

a) Hira Ferro Alloys Limited is a public limited Company incorporated under the Indian Companies Act, 1956 and having its registered office at 567B Urla Industrial Area, Raipur, Chhattisgarh 493 221 Tel. No. +91-771-2323800, Fax No. +91-771-2323046.

b) The Target Company was incorporated on December 31, 1984 at Kanpur in the name of Parin Commercials Limited under the Companies Act, 1956. The Registered Office of the company was shifted with effect from May 18, 1990 from the State of Uttar Pradesh to the State of Madhya Pradesh. Subsequently the name of the company has been changed to M/s. Hira Ferro Alloys Limited with effect from May 21, 1990. The Target Company is engaged in the business of production of Ferro Alloys, fly ash bricks and captive power generation at its production facility at Urla Industrial Estate in Raipur. The production capacity of Ferro Alloys is 75,000 MT and of Captive power is 20 MW as on March 31, 2007

c) The share capital structure of HFAL as on March 5, 2008 is as follows:

Paid up Equity	No. of Shares/ Voting Rights	% of Shares
Fully Paid up Equity Shares	3,917,700	100
Partly Paid up Equity Shares (specifying how much paid up)	Nil	Nil
Total Paid up Equity Shares	3,917,700	100
Total Voting Rights	3,917,700	100

The entire paid issued, subscribed and paid up capital of the Target Company is fully paid up and no shares issued by the Target Company are partly paid-up.

There are no outstanding convertible instruments of the company.

d) Details of the build-up of the current Share Capital of the Company since incorporation and status of compliance with applicable provision of SEBI (SAST) Regulation/applicable regulations under the SEBI Act, 1992 and other statutory requirements as applicable are as follows:

Date of Allotment	No. of Shares Allotted	Cumulative No. of Shares	Nature of Issue	Identity of allottees	Compliances
31.12.1984	70	70	Subscription to MoA	Subscribers to MoA	Complied
09.02.1985	94930	95,000	Allotment	Promoters	Complied
02.04.1985	150000	245,000	Public Issue	Public	Complied
28.08.1990	917700	1,162,700	Right Issue	All Shareholders	Complied
29.09.1994	340000	1,502,700	Preferential Allotment	Deemed PAC	Complied
26.12.1994	290000	1,792,700	Preferential Allotment	Deemed PAC	Complied
31.03.1995	125000	1,917,700	Preferential Allotment	Deemed PAC	Complied
02.03.2005	2000000	3,917,700	Preferential Allotment	Other Bodies Corporate/ Deemed PAC	Complied

The authorized share capital was increased from Rs.125 lakhs to Rs. 400 lakhs with effect from May 30, 1992.

The target company has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

e) Trading in the Shares of the Target Company has been suspended with effect from January 9, 2002 at the Delhi Stock Exchange.

The Target Company's 1,162,700 shares are listed on the MPSE at Indore with effect from 07.08.1990 and subsequently listed on the DSE also with effect from 10.06.1992.

In the year 1994-95, the Target Company had made a preferential issue of 755,000 shares of Rs.10 each at a premium of Rs.50 per share to ETP Corporation Limited (Formerly known as Esquire Tea Plantation and Industries

Limited). The said shares were allotted as 340,000 on 29.09.1994, 290,000 on 26.12.1994 and 125,000 on 31.03.1995 respectively. The Company had informed both the DSE and MPSE about the allotment of the said equity shares; however there was a delay in filing the application for in-principle/final approval for listing of shares and the shares are yet to be listed on both the stock exchanges.

Similarly in the year 2005, the Target Company had made another preferential issue of 2,000,000 equity shares of Rs.10/- each at a premium of Rs. 60/- to select investors and the promoters. The company applied vide letter dated 18.01.2005 to the stock exchanges for according in principal approval for the issue and allotment of 2,000,000 equity shares on Preferential Basis.

The DSE had sought further information from the Target Company which has been duly furnished to them but the approval for listing of these shares is still awaited.

Details of Shareholding of Promoters/ Promoter Group and Preferential Allottees in respect of allotment made on March 02, 2005

		Pre Preferential Allottment		Preferential Allottment	Post Preferential Allottment	
S. No.	**NAME OF ALLOTEES**	**No. of shares**	**%**	**No. of Shares**	**No. of shares**	**%**
	Promoter/ Promoter Group					
1	HIRA STEELS LTD.	-	-	190,000	190,000	4.85
2	ISPAT GODAWARI LIMITED	-	-	52,000	52,000	1.33
3	SHRI B.L. AGARWAL	40,800	2.13	18,000	58,800	1.50
4	SHRI H.P. AGARWAL	33,000	1.72	18,000	51,000	1.30
5	SHRI N.P. AGARWAL	33,400	1.74	18,000	51,400	1.31
6	SHRI SURESH AGARWAL	46,100	2.40	18,000	64,100	1.64
7	SHRI DINESH AGARWAL	36,000	1.88	18,000	54,000	1.38
8	Sarita Agrawal	31,400	1.64	-	31,400	0.80
9	Abhishek Agrawal	200	0.01	-	200	0.01
10	Siddharth Agrawal	200	0.01	-	200	0.01
11	J P Agrawal (HUF)	900	0.05	-	900	0.02
12	B L Agrawal (HUF)	600	0.03	-	600	0.02
13	J P Agrawal	600	0.03	-	600	0.02
14	Madhu Agrawal	39,900	2.08	-	39,900	1.02
15	Godavari Devi Agrawal	38,500	2.01	-	38,500	0.98
16	H P Agrawal (HUF)	800	0.04	-	800	0.02
17	Sita Devi Agrawal	12,800	0.67	-	12,800	0.33
18	Kanika Agrawal	900	0.05	-	900	0.02
19	Amit Agrawal	2,500	0.13	-	2,500	0.06
20	Reena Agrawal	36,300	1.89	-	36,300	0.93
21	Ram Richpal Agrawal (HUF)	2,000	0.10	-	2,000	0.05
22	G P Agrawal	42,200	2.20	-	42,200	1.08
23	Hira Industries Limited	33,000	1.72	-	33,000	0.84
24	R R Ispat Limited	-	0.00	-	-	0.00
25	Hira Cement Exim Limited	-	0.00	-	-	0.00
26	Alok Ferro Alloys Limited	-	0.00	-	-	0.00

27	Hira Power & Steels Limited	-	0.00	-	-	0.00
28	ETP Corporation	755,000	39.37		755,000	19.27
	Total (A)	**1,187,100**	**61.90**	**332,000**	**1,519,100**	**38.78**
	Others					
29	ARYA BHATT SALES PVT. LTD.			125,700		3.21
30	ARYA BUSINESS PVT. LTD.			42,800		1.09
31	BAHAR PAPERS PVT. LTD.			28,500		0.73
32	BEST ADVISORY PVT. LTD.			25,700		0.66
33	BHANTINDA TRACOM PVT. LTD.			14,200		0.36
34	DEEPRAJ VINIMAY PVT. LTD.			35,700		0.91
35	DEESHA TIMBER P. LTD.			14,200		0.36
36	DEWOROPS AGRO PVT. LTD.			14,200		0.36
37	DIVYANSH ENGG. PVT. LTD.			71,400		1.82
38	EMPIRE ADVISORY SERVICES P. LTD.			14,200		0.36
39	FUN & FOODS PVT. LTD.			57,100		1.46
40	GAZAL TEXTILES & FIN P. LTD.			85,700		2.19
41	GOOD HOPE SOFTWARE PVT. LTD			21,400		0.55
42	IMTIHAN COMMERCIAL PVT LTD			21,400		0.55
43	IMTIHAN MERCHANT P. LTD.			85,700		2.19
44	INCHOOK TRACON PVT. LTD.			57,100		1.46
45	KLAPP VYAPAAR PVT. LTD.			28,500		0.73
46	KONARK COMMERCE & INV. Ltd.			107,000		2.73
47	MAA SANTOSHI INTERNATIONAL LTD.			107,000		2.73
48	MOOD DEALERS PVT. LTD.			35,700		0.91
49	MRIGIYA ELECTRONIC IND. P.LTD.			14,200		0.36
50	NALIMAER SUPPLCRG PVT. LTD.			50,000		1.28
51	PEEKEY VANIJAY PVT. LTD.			28,500		0.73
52	PROCTON COMMERCE P. LTD.			75,700		1.93
53	PUJAM SALES & SERVICES P. LTD.			14,200		0.36
54	RAJGARIA INDUSTRIAL EQUP. PVT LTD.			95,700		2.44
55	RAMDHANI CAMODITIES			14,200		0.36
56	SARVOTAM COMMERCIAL P. LTD.			42,800		1.09
57	SHASHANKO COMMOTRADE PVT. LTD.			40,000		1.02
58	SINGHA TEXIM PVT. LTD.			14,200		0.36
59	TARAL UINCOM P. LTD.			21,400		0.55
60	TOPGRAIN MANAGEMENT P. LTD.			107,000		2.73
61	TUTICORIN TREXIM P. LTD.			28,500		0.73
62	VAIRAVI ELECTRICAL P. LTD.			14,200		0.36
63	WELKAN VINIMAY P. LTD.			114,200		2.91
	Total (B)			**1,668,000**		**42.58**
	Grand Total (A+B)			**2,000,000**		**81.35**

Note: All applicable provisions of the Regulations have been complied with respect to the above Preferential Allotment

f) The Target Company has not complied with the listing requirements of MPSE and DSE during the period 1999 to 2004. This happened when the Company's plant were closed due to unprecedented cut in power supply by the State Electricity board from the year 1998 till 2004. The Company's operations were restarted when the power supply resumed by the electricity board in the year 2004. The Target Company then complied with all the pending listing requirements and also paid the listing fees to the stock Exchanges and sought condonation for delay in compliance of listing agreement. The matter is before both the stock exchanges, where the Company's shares are listed. However, no penal/punitive action has been taken by these Stock Exchanges.

The Target Company has submitted all the information and documents sought by the Stock Exchanges to regularize the non compliance of the listing agreement. Further, the Target Company has been complying with all the requirements under Listing Agreement from year 2005 onwards. The Target Company has also been regularly making the payment of Annual Listing Fee and there is no Listing Fee outstanding as on date.

Present status:

1. Listing and trading permission in respect of allotment of 755,000 Equity Shares in 1994-95 and 2,000,000 Equity Shares in 2005 is still awaited from both the Stock Exchanges.
2. Order for revocation of suspension of 1,125,000 Equity Shares from DSE and continuous listing permission from MPSE are also awaited.

DSE has asked for various documents and information which inter-alia includes to provide a confirmation of continuous listing from MPSE. The Target Company has submitted all the documents and information to DSE and sent copies of all such documents to MPSE.

The Target Company, in its latest communication with DSE vide letter dated December 8, 2007 submitted the documents sought by DSE and has also informed DSE regarding the SEBI consent application. Further, the Target Company has written to MPSE vide letter dated April 24, 2008 requesting for the confirmation of continuous listing as required by DSE and is awaiting the same.

g) The Target Company has not complied with the provision of Chapter II of SEBI (SAST) Regulations in time. However, the Target Company had made an application to the Securities and Exchange Board of India (SEBI) in prescribed Form-A as per circular no. EFD/ED/Cir-1/2007 for consent order in respect of condonation of delay in compliances of regulation 6(2) & (4) & 8(3) of SEBI (SAST) Regulation 1997.

The SEBI, High Power Empowered Advisory Committee (HPAC) considered the application and gave its acceptance of Consent Proposal, on 20.12.2007.

As per said order of SEBI, the Target company has paid Rs. 2,75,000/- in token of acceptance of Consent Proposal, as granted by Division of Regulatory Action, SEBI.

The promoters / major shareholders have regularly complied with the provisions of Chapter II of the SEBI (SAST) Regulations except in case of certain inter se transactions amongst the promoters where there was a delay in submission of reports as stated under clause (l) of para 6 in this Letter of Offer.

The Board of Directors of the Target Company as on the date of Public Announcement was as under:

Name & Designation of the Directors	Residential Address	Date of appointment	Directorship in Listed Companies
Shri Bajrang Lal Agrawal, Chairman and Non-Executive Director	"Sidharth" Gita Nagar, Choubey Colony, Raipur, C.G. PIN 492 001.	30.12.2003	M/s. Godawari Power and Ispat Limited
Shri Narayan Prasad Agrawal, Managing Director.	Om Kutir, Jail Road, Phaphadih, Raipur (C.G.) PIN 492 001.	01.10.1990	M/s. Godawari Power and Ispat Limited
Shri Hanuman Prasad Agrawal Executive Director	Om Kutir, Jail Road, Phaphadih, Raipur (C.G.) PIN 492 001.	01.03.2007	None
Shri Y.C. Rao Non-Executive Director	B-31, Green Orchid, Avani Vihar, Raipur, (C.G.) 492 001	26.04.1999	None
Shri Kapil Agrawal Non-Executive Independent Director	H/5, Subham, Laxmi Nagar, Nagpur (MH) PIN 440022	23.03.2005	Godawari Power and Ispat Ltd.
Shri Umesh Agrawal Non-Executive Independent Director	Shri Raghav Sadan, 313 Ras Garba Maidan, Samta Colony, Raipur 492 001.	23.03.2005	None

Educational Qualification, experience etc of the Promoter Directors of the Company.

Mr. Bajrang Lal Agrawal, - Please refer to page number 9 for education and experience details of Mr. Bajrang Lal Agrawal

Mr. Narayan Prasad Agrawal, 49 years, is a commerce graduate from the Pandit Ravi Shankar Shukla University, Raipur. He has over two decades of experience in the steel and ferro alloys industry. He is currently on the Board of Godawari Power and Ispat Limited, Manshi Real Estate (India) Pvt. Ltd., Tanusha Real Estate Pvt. Limited, Kumar Homes India Pvt. Ltd., Godawari Real Estate (Chhattisgarh) Pvt. Ltd., Arihant Farms Limited, Tirupati Balaji Realtor Pvt. Ltd., Vinay Buildcon Pvt. Ltd., Hira Buildcon Pvt. Ltd., Kumar Technobuild Pvt. Ltd. and Hira Power and Alloys Limited. He has been associated with our Company since October, 1990.

Mr. Hanuman Prasad Agrawal, 50 years, is a Commerce Graduate from the Pandit Ravi Shankar Shukla University, Raipur. He has over two decades of experience in the steel and ferro alloys industry. He is currently on the Board of Hira Power and Alloys Limited. He has been associated with our Company since 1990 in various capacities and has been appointed as Director with effect from March, 2007.

Mr. Yarra Chandra Rao, - Please refer to page number 9 for education and experience details of Mr. Yarra Chandra Rao

Educational Qualification, experience etc of the other Professional Independent Directors of the Company.

Mr. Kapil Agrawal, 33 years, is a Mechanical Engineer from Nagpur University. Mr. Kapil Agrawal has 10 years of experience in trading of Iron and Steel, Cement and Rubber Industry. He is currently on the board of Godawari Power and Ispat Limited, R. R. Ispat Limited, Shree Radhe Fibres Pvt. Ltd. and Khatuka Alloys Limited.

Mr. Umesh Agrawal, 27 years, is an associate member of the Institute of Chartered Accountants of India. He has experience in the field of Corporate Audit, Accounts and Finance, Project Appraisal, etc. He has been associated with the company since March, 2005.

Mr. Bajrang Lal Agrawal and Mr. Y. C. Rao are the directors of the Acquirer Company and are also directors of the Target Company and both of them shall recuse themselves and shall not participate in any matter concerning or relating to the offer including any preparatory steps leading to the offer.

h) There has been no merger/demerger or spin offs during the last three years involving the target company.

i) Brief audited financial details for the last three years including certified financial data for the nine months period ending December 31, 2007 are given below:

Rs. In Lakhs

Profit & Loss Statement	**2004-2005 (Audited)**	**2005-2006 (Audited)**	**2006-2007 (Audited)**	**For the nine months ended 31.12.2007** (Certified)
Income from operations	2972.60	2208.34	6874.01	19365.01
Other Income	3.44	210.44	783.73	49.31
Total Income	2976.04	2418.78	7657.74	19414.32
Increase / (Decrease) in Stock	39.21	(55.84)	24.50	346.16
Total Expenditure	2724.02	2228.64	5789.98	17466.90
Profit before Depreciation, Interest and tax	291.23	134.30	1892.26	2293.60
Depreciation	50.15	62.21	255.77	305.39
Interest	28.65	30.57	286.22	344.84
Profit before Tax	212.43	41.52	1350.27	1643.36
Add: Prior Period Adjustment	-	-	1.59	-
Current Tax	18.27	10.58	151.51	188.09
Deferred Tax	65.80	(4.46)	306.92	414.33
Profit after Tax	128.36	35.40	893.43	1040.94

Balance Sheet Statement	2004-2005 (Audited)	2005-2006 (Audited)	2006-2007 (Audited)	For the nine months ended 31.12.2007
Sources of funds				
Paid up share capital	391.77	391.77	391.77	391.77
Reserves and Surplus (excluding revaluation reserves)	1798.08	1811.15	2637.57	3678.51
Net worth	2189.85	2202.92	3029.34	4070.28
Secured loans	246.47	3004.46	4588.94	4833.11
Unsecured loans	772.02	1536.75	1417.62	519.57
Deferred Tax Liability	131.73	126.91	433.83	848.16
Total	3340.07	6871.04	9469.73	10271.12
Uses of funds				
Net fixed assets	848.73	1002.24	7398.05	7895.85
Capital Work in Progress	1012.42	4864.16	397.07	486.47
Investments	50.01	50.01	18.73	23.73
Net current assets	1428.91	954.63	1655.88	1865.07
Total	3340.07	6871.04	9469.73	10271.12

Other Financial Data	2004-2005 (Audited)	2005-2006 (Audited)	2006-2007 (Audited)	For the nine months ended 31.12.2007
Dividend (%)	10	5	15	NIL
Earning Per Share	6.18	0.90	22.80	26.57
Return on Net worth(%)	5.86	1.61	29.49	25.57
Book Value Per Share	55.90	56.23	77.32	103.89

j) The Reasons for fall/rise in the total income and PAT of the target company are as follows:

The Company registered Income of Rs.19414.32 lacs for the nine months ended 31.12.07 as compared to Rs.7657.74 lacs for the year ended 31.03.07 registering a growth of 154% due to the following reasons:

The sale of finished goods (ferro alloys & bricks) rose from Rs.4470.16 lacs to Rs.8495.83 lacs registering a growth of 90% due to increase in production and selling prices of ferro alloys as a result of huge increase in market demand during the nine months ended 31.12.07.

The trading sales increased from Rs.1680.80 lacs to Rs.10199.47 lacs registering an increase of over 500%. The reason for this difference is because of increase in the trading activities.

The Company earned Total Income of Rs.7657.74 lacs during the year ended 31st March, 2007 in comparison to Rs.2418.78 lacs during the year ended 31st March, 2006. The Total Income increased by Rs.5238.96 lacs due to increase in volume of production of Ferro after commencement of commercial production in Captive power plant. Prior to starting of the captive power plant, the company had reduced the volume of production, in view of very low margins due to high cost of power. The Company during FY07 also started trading in Iron & Steel Products, which generated sales volume of Rs 1680.80 lacs. The Company also commenced its captive power plant and earned revenue of Rs.721.37 lacs from sale of electricity during the year ended 31st March, 2007.

The Company registered Profit after Tax (PAT) of Rs.893.43 lacs during the year ended 31st March, 2007 in comparison to Rs.35.40 lacs during the year ended 31st March, 2006. The PAT was increased due to higher operating margins and reduction of power cost and one time other income of Rs 751.89 lacs from trading in stocks & commodities.

The Company earned Total Income of Rs.2418.78 lacs during the year ended 31st March, 2006 in comparison to Rs.2976.04 lacs during the year ended 31st March, 2005. The Total Income decreased by Rs.557.26 lacs due to decrease in selling prices and sluggish demand of products manufactured by the Company viz., Silico Manganese and Ferro Manganese

The Company achieved a PAT of Rs.35.40 lacs during the year ended 31st March, 2007 in comparison to Rs.128.36 lacs during the year ended 31st March, 2006. The PAT was decreased by Rs.92.96 lacs due to reduction in selling price and increase in power cost.

k) Pre and Post-offer shareholding pattern of the target company as per the following table (as on March 10, 2008).

Shareholder's Category	Shareholding & voting rights prior to the agreement / acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in the open offer (Assuming full acceptances)		Shareholding/ voting rights after the acquisition and offer i.e.	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to Agreement	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Promoters other than (a) above	1283500	32.76	NIL	NIL	NIL	NIL	1283500	32.76
Total 1(a+b)	**1283500**	**32.76**	**NIL**	**NIL**	**NIL**	**NIL**	**1283500**	**32.76**
(2) Acquirers								
a. Hira Industries Limited	788000	20.11	NIL	NIL	783540	20.00	1571540	40.11
b. PACs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total 2(a+b)	**788000**	**20.11**	**NIL**	**NIL**	**783540**	**20.00**	**1571540**	**40.11**
Total 2A (1+2)	**2071500**	**52.87**	**NIL**	**NIL**	**783540**	**20.00**	**2855040**	**72.87**
(3) Parties to agreement other than (1)(a) & (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/ FIIs/Banks, SFIs (indicate names)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Others	1846200	47.13	NIL	NIL	(783540)		1062660	
Total (4) (a+b)	**1846200**	**47.13**	**NIL**	**NIL**	**(783540)**	**(20.00)**	**1062660**	**27.13**
Grand Total (1+2+3+4)	**3917700**	**100.00**					**3917700**	**100.00**

As on the date of Public Announcement, there were 166 public shareholders of the target company

l) The details of the change in shareholding of the promoters as and when it happened in the Target Company is as follows:

Sl. No	Name of Promoters and Promoters Group	As at 31st March 1995	Date	No. of Shares Acquired	No. of Shares Sold	Balance as on 31.12.2007	Status of Compliance
1	Shri Bajrang Lal Agrawal.	60500	03.02.04		20000		
			19.06.04	300			
			02.03.05	18000			
			27.07.07		38000	**20800**	Complied
2	Smt Sarita Agrawal	61400	03.02.04		30000		
			30.07.05		27000	**4400**	Complied
3	Shri Abhishek Agrawal,	15200	03.02.04		15000	**200**	Complied
4	Shri Siddharth Agrawal	15200	03.02.04		15000	**200**	Complied
5	Shri Hanuman Prasad Agrawal	58000	03.02.04		25000		
			02.03.05	18000			
			27.07.07		30000	**21000**	Complied
6	Shri Jagdish Prasad Agrawal (HUF)	12900	03.02.04		12000	**900**	Complied
7	Shri Bajrang Lal Agrawal (HUF)	10600	03.02.04		10000	**600**	Complied

8	Shri Jagdish Prasad Agrawal	59600	30.10.98		40000		
			03.02.04		19000	**600**	Complied
9	Smt. Madhu Agrawal	59900	03.02.04		20000	**39900**	Complied
10	Smt. Godavari Devi Agrawal	63500	03.02.04		25000	**38500**	Complied
11	Shri Suresh Agrawal	58000	19.03.97	13100			
			03.02.04		25000		
			02.03.05	18000			
			30.10.05	97500		**161600**	Complied
12	Shri Hanuman Prasad Agrawal (HUF)	5800	03.02.04		5000	**800**	Complied
13	Smt. Sita Devi Agrawal	52800	12.03.02		15000		
			03.02.04		25000	**12800**	Complied
14	Smt Kanika Agrawal	0	19.03.97	4900			
			03.02.04		4000	**900**	Complied
15	Shri Amit Agrawal	22500	19.03.97	5000			
			03.02.04		25000	**2500**	Complied
16	Smt. Reena Agrawal	56300	03.02.04		20000	**36300**	Complied
17	Ram Richpal Agrawal (HUF)	2000				**2000**	Complied
18	Shri Dinesh Agrawal	61000	03.02.04		25000		
			02.03.05	18000		**54000**	Complied
19	Shri Narayan Prasad Agrawal	58400	03.02.04		25000		
			02.03.05	18000		**51400**	Complied
20	Shri G.P. Agrawal	67200	03.02.04		25000	**42200**	Complied
21	M/s Hira Industries Limited	33000	27.07.07	259000			
			30.10.07		259000		
			23.02.08	755000		**788000**	Complied
22	M/s Hira Steels limited	0	02.03.05	190000			
			30.10.07		180000	**10000**	Complied
23	M/s Godawari Power & ispat Ltd	0	02.03.05	52000		**52000**	Complied
24	M/s R.R. Ispat Ltd	0	30.07.05	52000			
			30.10.07	342000		**394000**	Complied
25	M/s Hira Cement Exim Ltd (Formerly known as M/s Shree Hira Exim Ltd.)	0	30.07.05	23000			
			30.10.07	107000		**130000**	Complied
26	M/s Alok Ferro Alloys Ltd	0	27.06.06	195000		**195000**	Complied
27	M/s Hira Power & Steels Ltd. (formerly known as M/s Jain Carbides & Chemicals Ltd.)	0	30.07.05	4000			
			12.05.06	16900			
			30.10.07		10000	**10900**	Complied
28	M/s ETP Corporation Ltd.	755000	23.02.08		755000	**0**	Complied
				Total		**2071500**	

Consolidated build up of Promoters' shareholding in Target Company:-

Date	Opening Balance	% to Paid up Capital	No. of Shares Acquired/ (Sold)	Nature of Transaction	Post Transaction Holding	% to Post Transaction Capital	Balance as on 05.03.2008	% to Paid up Capital
31.03.1995	1588800	82.85	-					
19.03.1997			23000	Inter-Se Transfer (See Note)	1611800	84.05		
30.10.1998			(40000)	Off Market Sale	1571800	81.96		
12.03.2002			(15000)	Inter Se Transfer	1556800	81.18		
03.02.2004			(370000)	Off Market Sale	1186800	61.89		
19.06.2004			300	Off Market Purcahse	1187100	61.90		
02.03.2005			332000	Preferential Allot	1519100	38.78		
30.07.2005			(27000)	Inter-Se Transfer	1492100			
			79000	Inter Se Transfer	1571100	40.10		
30.10.2005			97500	Transmission (Interse)	1668600	42.59		
12.05.2006			16900	Off Market Purcahse	1685500	43.02		
27.06.2006			195000	Off Market Purcahse	1880500	48.00		
27.07.2007			(68000)	Inter Se Transfer	1812500			
			259000	Inter-Se Transfer (See Note)	2071500	52.88		
30.10.2007			(449000)	Inter-Se Transfer	1622500			
			449000	Inter Se Transfer	2071500	52.88		
23.02.2008			(755000)	Inter-Se Transfer	1316500			
			755000	Inter Se Transfer	2071500	52.88	**2071500**	**52.88**

Note:

19.03.1997 900 From Outsider or Off Market Purchase

27.07.2007 191000 From Outsider or Off Market Purchase

Reports under regulation 3(4) for inter se acquisition on 27.07.07 and 30.10.07 have been filed with the SEBI on April 24, 2008. Further, application for consent order for the delay has also been filed with SEBI. SEBI may initiate suitable action at a later stage for the delayed compliance with regulation 3(4).

Other major shareholders have also complied with provisions of Chapter II of the SEBI (SAST) Regulations

m) The status of Corporate Governance and pending litigation matters of the target company is as mentioned below:

The Target Company has complied with the provisions of Corporate Governance in terms of the listing requirements of the Stock Exchanges in the prescribed manner.

n) Contingent Liabilities of HFAL are in respect of:

a. Disputed Commercial Tax, Central Sales Tax and Entry Tax Demand for the F.Y. 1995-96 amounting to Rs.3.14 Lakhs, for the F.Y.1997-98 amounting to Rs.17.24 Lakhs and for the F.Y.2002-03 amounting to Rs.8.68 Lakhs.

b. Disputed income tax demand for the A.Y. 1996-97 of Rs.1,02,567/-.

c. Disputed excise duty demand for the F.Y.1994-95 on account of CENVAT credit availed on lancing pipes amounting to Rs.0.22 lakhs.

d. Corporate Guarantees issued in favour of the bank aggregating to Rs.35630 lacs (previous year Rs.25270 lacs in respect of financing facilities granted to other body corporate.

e. The Company has disputed income tax demand for the A.Y.1995-96 of Rs.31,25,640/- against which the company has preferred an appeal before the Hon'ble High Court of Chhattisgarh, however the company has deposited full amount i.e. Rs.31,25,640/-. The Company expects to succeed in these procedings and hence no additional provision is considered necessary.

o) The details of the pending litigation for the Target Company are as follows:

A. Excise Cases

Sl. No.	Parties	Authority	Particulars	Status	Amount Involved (Rs . in lacs [approx.])
1.	Hira Ferro Alloys Ltd.	Addl. Commissioner, Central Excise, Raipur	Show cause Notice dated 25.10.2005 issued denying Cenvat Credit on inputs and Capital Goods used for manufacture of Power Plant amounting to Rs.1,432,403/- and Rs.27,998 respectively towards Central Excise Duty and Education Cess.	SCN set aside by OIO dated 25.07.2007 by the Addl. Commr. Merged with case referred to at Sl.No.4	
2.	Hira Ferro Alloys Ltd.	Addl. Commissioner, Central Excise, Raipur	Show cause Notice dated 06.12.2005 issued denying Cenvat Credit on inputs and Capital Goods used for manufacture of Ferro Alloys Plant amounting to Rs. 1,900,617 and Rs. 37,959 respectively towards Central Excise Duty and Education Cess.	Adjudicating Authority has confirmed the demand of Rs.12.69 lacs and allowed Rs.6.70 lacs and imposed penalty of Rs.1.25 lacs vide OIO dated 30.10.2006. Company has filed an Appeal before the Commr. (Appeals) against the said OIO. The Commr. (Appeals) has set aside the OIO. vide OIA dated 22.02.2007. Now the dept. has preferred an appeal against the OIA before CESTAT which is still pending for final decision.	19.38
3.	Hira Ferro Alloys Ltd.	Addl. Commissioner, Central Excise, Raipur	Show cause Notice dated 21.02.2006 issued denying Cenvat Credit on inputs and Capital Goods used for manufacture of Power Plant amounting to Rs. 1,352,250 and Rs. 26,224 respectively towards Central Excise Duty and Education Cess.	Merged with other cases referred to at Sl.No.4	
4.	Hira Ferro Alloys Ltd.	Addl. Commissioner, Central Excise, Raipur	Various Show Cause Notices were issued on 29.03.2006, 24.05. 2006. 20.07.2006 and 04.10.2006 denying Cenvat Credit on inputs and Capital Goods used for manufacture of Power Plant amounting aggregating to Rs. 1,66,93,940/-and Rs. 3,32,954/- respectively towards Central Excise Duty and Education Cess.	The Addl. Commissioner vide adjudication order dated 30.10.2006 allowed the Cenvat credit of 131.74 lacs and disallowed Cenvat credit of Rs.67.61 lacs. Company has filed appeal before Commissioner (Appeals) against the disallowed portion of Rs.67.61 lacs. The said appeal has been allowed and the amount disallowed has been set aside. Now the Department preferred an appeal before CESTAT against the said order in original and appeal which is pending for final orders.	198.66

2. <u>Cases in which the amount involved does not exceed Rs. 3,00,000/- (Rupees Three Hundred Thousand Only)</u>
There is one case pending in which the amount involved is less than Rs.3,00,000/-. The aggregate amount involved in the said case is Rs.0. 22 Lakh.
Current Status: This case is still pending.

B. Income Tax Cases

Sl. No.	Parties	Authority	Particulars	Status	Amount Involved (Rs . in lacs [approx.])
1.	Hira Ferro Alloys Limited ("HFAL") versus Deputy Commissioner of Income Tax (Assessment), Chhattisgarh.	High Court, Bilaspur, Chattisgarh	This appeal pertains to the assessment year 1995-96 and has been filed against an order dated 17th September 2002 passed by the Income Tax Appellate Tribunal. The relief's claimed in this appeal are as follows: a. Allowing HFAL to avail of a deduction of Rs. 550,957/- towards quality rebate in respect of goods supplied and billed. b. Allowing HFAL to avail of a deduction of Rs. 6061,369/- towards fuel cost adjustment charges and electricity consumed. c. Determining whether the expenditure incurred by HFAL for the purpose of earning interest on deposits with the MPSEB and interest received from customers for delayed payment, for determining income eligible for relief under Section 80 I of the Income Tax Act, 1961.	Pending for hearing and final disposal.	31.25 HFAL has already paid the entire amount under protest hence there will not be any further demand or liability in this regard.
2.	Hira Ferro Alloys Limited ("HFAL") versus Joint Commissioner of Income Tax.	High Court, Bilaspur, Chattisgarh	This appeal pertains to the assessment year 1996-97 and has been filed against an order dated 26th June 2003 passed by the Income Tax Appellate Tribunal. The relief's claimed in this appeal are as follows: a. Allowing HFAL to include its interest income (being interest on security deposits with the MPSEB) of a sum of Rs. 1,449,454.00 in its gross total income for the purpose of claiming relief under Section 80 IA of the Income Tax Act, 1961. b. As an alternative to the relief claimed in (a) above, to allow HFAL to exclude interest payments made by HFAL for the purpose of claiming relief under Section 80 IA of the Income Tax Act, 1961.	Pending for hearing and final disposal.	8.67 (This amount has already been paid under protest.)
3.	Hira Ferro Alloys Limited ("HFAL") versus Joint Commissioner of Income Tax.	High Court, Bilaspur, Chattisgarh	This appeal pertains to the assessment year 1996-97 and has been filed against an order dated 26th June 2003 passed by the Income Tax Appellate Tribunal. The relief's claimed in this appeal are as follows: a. Allowing HFAL to include its interest income (being interest received by HFAL from its customers for delayed payments) of a sum of Rs. 152,863.00 in its gross total income for the purpose of claiming relief under Section 80 IA of the Income Tax Act, 1961. b. As an alternative to the relief claimed in (a) above, to allow HFAL to exclude interest payments made by HFAL for the purpose of claiming relief under Section 80 IA of the Income Tax Act, 1961.	Pending for hearing and final disposal.	8.67 (alongwith the case reported at Serial No. 2 above.) (The amount involved has already been deposited under protest.)

2. <u>Cases in which the amount involved does not exceed Rs. 3,00,000/- (Rupees Three Hundred Thousand Only)</u>

There is one case pending in which the amount involved is less than Rs.300,000/-. The aggregate amount involved in the said case is Rs.87,000 (Rupees Eighty Seven Thousand Only).

C. Criminal Proceedings filed by Hira Ferro Alloys Limited under Section 138 of the Negotiable Instruments Act, 1881.

1. There are Sixteen (16) Criminal Complaints filed by Hira Ferro Alloys Limited under Section 138 of the Negotiable Instruments Act, 1881 for recovery of dues towards dishonour of cheques. The aggregate amount involved in these cases is approximately Rs.31,00,000 /- (Rupees Thirty One lac Only)
2. We have been informed that no separate civil proceedings have been filed for the recovery of the aforementioned amounts.

D. Sales Tax Cases

Sl. No.	Authority	Particulars	Status	Amount Involved (Rs. In Lacs (Approx)
1.	Board of Revenue, Bilaspur, C.G.	HFAL has filed an appeal before the Board of Revenue on 16.06.2006 against the order passed by the Additional D.C. Appeals, Raipur confirming the Demand of Central Sales Tax for non submission of C Forms for the Assessment Year 1994-95 amounting to Rs.15,28,443.	Pending for Final order.	0.96
2.	Board of Revenue, Bilaspur, C.G.	HFAL has filed an appeal before the Board of Revenue on 16.06.2006 against the order passed by the Additional D.C. Appeals, Raipur confirming the Demand of Central Sales Tax for non submission of C Forms for the Assessment Year 1995-96 amounting to Rs.33,48,525 and C Forms rejected for non attachment of Purchase Orders amounting to Rs.5,11,26,442.	Pending for Final order.	28.57
3.	Additional Commissioner, Commercial Tax, Raipur	HFAL has filed an appeal against the Assessment Order for the Assessment Year 1995-96 vide which the Assessing Authority levied Entry Tax of Rs.5,92,818 on the purchase value of Rs.42,51,663 and on the disallowed amount of Rs.1,59,435 and Rs.50,85,589 in respect of Capital Goods. Company has paid Rs.5,83,043 under protest.	Pending for Final Order.	0.09
4.	Board of Revenue, Bilaspur, C.G.	HFAL has filed an appeal before the Board of Revenue on 16.06.2006 against the order passed by the Additional D.C. Appeals, Raipur confirming the Demand of Commercial Tax of Rs.4,56,164 for the Assessment Year 1997-98. The company has deposited Rs.46,000 and Rs.82,100.	Pending for Final order.	3.28
5.	Board of Revenue, Bilaspur, C.G.	HFAL has filed an appeal before the Board of Revenue on 16.06.2006 against the order passed by the Additional D.C. Appeals, Raipur confirming the Demand of Central Sales Tax of Rs.12,68,110 for the Assessment Year 1997-98 relating to Deferment and Rs.2,75,955 for non submission of C Forms. The company has deposited Rs.1,30,000 and 2,30,000.	Pending for Final order.	9.084
6.	Deputy, Commissioner, Commercial Tax, Raipur	HFAL has filed an appeal against the Order of the Asst. Commissioner, Commercial Tax, denying entry tax exemption of Rs.3,01,488 for the Assessment Year 1995-96. Company has paid Rs.30,200.	Pending for Final Order.	2.71
7.	Board of Revenue, Bilaspur, C.G.	HFAL has filed an appeal before the Board of Revenue on 16.06.2006 against the order passed by the Additional D.C. Appeals, Raipur relating to deferment of Sales Tax amount of Rs.2,552,880 for the Assessment Year 1997-98 as against the amount of Rs.2,276,925 calculated by the company.	Pending for Final order.	2.76
8.	Deputy, Commissioner, Commercial Tax, Raipur	HFAL has filed an appeal against the Order of the Asst. Commissioner, Commercial Tax, demanding entry tax of Rs.86,794 for the Assessment Year 2002-03. Company has paid Rs.8,680.	Pending for Final Order.	0.78

1. <u>Cases in which the amount involved exceeds Rs.3,00,000/- (Rupees Three Hundred Thousand Only)</u>

p) No equity shares of the Target Company are subject to any lock-in.

q) The Compliance Officer of the Target Company is Mr. Mohit Chande, Company Secretary, D 296/5, Tagore Nagar, Raipur, Chhattisgarh - 492 001 Tel No : 0771 4282747, Fax No. 0771 4057601 and e-mail :- mohitchande@gmail.com

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

Justification of Offer Price

7.1.1.1,162,700 Shares of the Target Company are listed on the Delhi Stock Exchange Association Limited and the Madhya Pradesh Stock Exchange (both Regional Stock Exchanges) and the remaining 2,755,000 shares have not been listed as per details mentioned on page number 13 of this Letter of Offer. Based on the information available, the Shares of Target Company are infrequently traded on DSE as well as MPSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

7.1.2 The annualised trading turnover during the period September 2007 to February 2008, the six calendar months prior to March 2008 (the month in which PA was made) in each of the Stock Exchanges is detailed below:

Name of Stock Exchange	Total number of shares traded during the preceding six calendar months	Total number of listed shares	Annualised trading turnover (in terms of % of total listed shares)	Trading Status in terms of SEBI (SAST) Regulations
DSE	0	1,162,700	0.00	Infrequent
MPSE	0	1,162,700	0.00	Infrequent

M/S O. P. Singhania & Co., Chartered Accountants have carried out valuation of the equity shares of Hira Ferro Alloys Limited to arrive at a fair value of the equity shares. The relevant extract from their valuation report dated March 3, 2008 is reproduced below:

7.1.3 The Offer Price of Rs. 120 per share is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations in view of the following:

The negotiated price	Not Applicable
Price paid by the Acquirer for acquisitions, if any, including by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA	Rs.70/-

As per the audited results of for the financial year 2006-07, the other parameters of the Target Company are as follows:

Particulars	As on 31.03.2007
Earnings per Share (Rs.)	22.80
Return on Net Worth (%)	29.40
Book Value (Rs.)	77.00

The Industry Price Earning Ratio in which the Target Company operates is 9.90 (Source: Capital Market, Volume XXII/25 - Feb, 11-24, 2008)

Since the shares of HFAL are infrequently traded on the above mentioned Stock Exchanges, the fair value of shares has been arrived at by considering the above parameters and by placing reliance on the Supreme Court Judgment in the Case of Hindustan Lever Employee Union vs. Hindustan Lever Limited [(1995) 83 CC 30]. Accordingly, the fair value has been calculated taking weighted average of three methods as follows:

Method	Amount (Rs.) (x)	Weights (y)	Weighted Amount (X * Y)
1. Value of shares as per Net Assets Method (NAV)	77.32	2	154.64
2. Price at which shares of the Target Company acquired by the acquirer in Feb, 2008	70.00	3	210.00
3. Price Earning Method	350.66	1	350.66
Total		6	715.30
Weighted Average Price			**119.22**
Value per share			**120.00**

7.1.4 This offer being a voluntary open offer, details regarding non-compete fee are not applicable.

7.1.5 Since the offer price is higher that the prices stated in para 7.1.3 above, in the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified as per the Regulations.

7.1.6 The Acquirer does not intend to acquire any shares after the date of the Public Announcement.

7.2 Financial Arrangements

7.2.1 The total funds required to implement the offer, assuming full acceptance shall be Rs. 94,024,800 (Rupees Nine crores forty lacs Twenty Four thousand Eight hundred only).

7.2.2 The Acquirer has deposited Rs. 23,600,000 (Rupees Two crore thirty six lacs only), being in excess of 25% of the total consideration payable under the open offer assuming full acceptance, in an Escrow Account in terms of Regulation 28 opened with ICICI Bank Limited, Nariman Point Branch, Mumbai. The Manager to the Offer is empowered to operate the escrow account in accordance with the Regulations.

7.2.3 The Acquirer has adequate resources to meet the financial requirements of the offer in terms of Regulation 16 (xiv) of the SEBI (SAST) Regulations, 1997. The Acquirer has made firm arrangements for the Maximum Consideration in the form of borrowings of IL&FS Limited.

7.2.4 The Acquirer has duly authorized IL &FS Investsmart Securities Limited - Manager to the Offer to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

7.2.5 Sanjay Singhania, Partner, M/s O. P. Singhania & Co, Chartered Accountants, Address: JDS Chambers, 1st Floor, 6, Central Avenue, Choube Colony, Raipur - 492001 (Tel No: 0771 2253844) Membership No. 76961has certified vide certificate dated March 3, 2008 that the Acquirer has sufficient resources to meet all required financial obligations under the Offer.

7.2.6 The Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means is in place to fulfill the offer obligations in accordance with SEBI (SAST) Regulations, 1997.

8 TERMS AND CONDITIONS OF OFFER

8.1 This Offer is being made to all the Shareholders / beneficial owners (registered or otherwise) of shares of the Target Company except the Acquirer and deemed PACs. The Letter of Offer together with the Form of Acceptance and Form of Withdrawal will be mailed to the Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and the beneficial owners of the shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories, on March 28, 2008 (Friday) being the Specified Date, except the Acquirer and deemed PACs and also to those persons (except the Acquirer and deemed PACs) who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s). Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

8.2 The Acquirer will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

8.3 No equity shares of the Target Company are subject to lock-in.

8.4 To the extent of the Offer Size, all the shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer.

8.5 The Regulations provide for an upward revision of the Offer Price and the number of shares to be acquired, at any time up to seven working days prior to the closure of the Offer i.e. up to May 29, 2008 (Thursday) and allows withdrawal of the Offer under certain circumstances. Any such revision / withdrawal would be informed by way of an announcement in the same newspapers in which the PA appeared. In case of any revision in the Offer Price, the revised price will be payable by the Acquirer for all the Shares that are validly tendered pursuant to the Offer.

8.6 Each equity shareholder of the Target Company to whom this Offer is being made is free to offer his shares in the Target Company in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

8.7 Shareholders who hold shares in physical form and who wish to tender their shares will be required to send the Form of Acceptance, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in Para 9.2(h) of this Letter of Offer, titled “Procedure for Acceptance and Settlement”, to the Registrar to the Offer at any of its collection centers or as mentioned under Clause 9.2(i) of this Letter of Offer, either by hand delivery during Business Hours or by registered post so that the same are received on or before 5 p.m. Indian Standard Time on the closing date i.e. June 09, 2008 (Monday).

8.8 In respect of dematerialised shares the credit for the shares tendered must be received in the special account (as mentioned in clause 9.2(iii) below)on or before 5 p.m. Indian Standard Time on June 09, 2008 (Monday).

8.9 The Registrar to the Offer, Intime Spectrum Registry Ltd. has opened a special depository by the name and style of “Escrow Account - Hira Ferro Alloys Limited Open Offer” in CDSL with Stock Holding Corporation of India Limited as Depository Participant .The Beneficiary ID is 1601010000361633. Shareholders having their beneficiary account with NSDL will have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with CDSL as mentioned in clause 9.2(iii) below.

8.10 The Acquirer will not be responsible in any manner for any loss of share certificate(s) and/or Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

8.11 In case of non-receipt of this Letter of Offer, the eligible shareholder may send his consent to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered, along with the necessary documents {as mentioned in Clause 9.2 (d)} so as to reach the Registrar to the Offer on or before the closure of the Offer.

8.12 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of this Letter of Offer.

8.13 Statutory Approvals

8.13.1 To the best of knowledge and belief of the Acquirer, as on the date of the PA, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 27 of the Regulations.

8.13.2 It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations. Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

8.13.3 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12), SEBI may, if satisfied that the non receipt of approvals was not due to willful default or negligence on part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, at such rates as may be specified by SEBI.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders of the Target Company, who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Tel :+91-22-25960320; Fax: +91-22- 25960329 either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e., no later than June 09, 2008 (Monday) or at the Collection Centres, so as to reach the Registrar/ Collection Centres on or before the close of business hours, i.e., not later than 5.00 pm Indian Standard Time on June 09, 2008 (Monday) in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance cum Acknowledgement. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same is liable to be rejected. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such dematerialized shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.

9.2 Documents to be delivered by all Shareholders

i) In case of shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original equity share certificate(s); and
- Valid equity share transfer form(s) duly signed by transferor (by all the Shareholders in case the shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

ii) In case of shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein
- Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and
- Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the shares being tendered in this case.
- In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).
- No indemnity is required from persons not registered as Shareholders.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

iii) For Equity shares held in dematerialized form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the Delivery Instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off market" mode, duly acknowledged by the DP. The details of the special depository account are as follows:

Depository Name	Central Depository Services (India) Limited (CDSL)
DP NAME	Stock Holding Corporation of India Limited
Special DP Account	Escrow Account - Hira Ferro Alloys Limited Open Offer
Client ID	1601010000361633
ISIN	INE 573101011

- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

a) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer or Target Company.

b) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than **June 09, 2008** (Monday) or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than **June 09, 2008 (Monday)** . Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply using the same.

   If the aggregate of the valid responses to the Offer exceeds the Offer size of 783,540 fully paid-up equity shares of Hira Ferro Alloys Limited representing 20% of the Fully Diluted Equity Voting Capital of the Company, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot of for the Shares is 100 (one hundred)

c) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., no later than **June 09, 2008 (Monday)** , else the application would be rejected.

d) While tendering shares under the Offer, NRIs/OCBs/Foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they may have obtained for acquiring shares of the Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserve the right to reject such shares tendered.**

e) While tendering shares under the Offer, NRI/OCBs/Foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

f) In addition to the above-mentioned address, the equity shareholders of Target Company, who wish to avail of and accept the Offer can also deliver the Acceptance Form along with all the relevant documents at any of the collection centres below. All the centres mentioned herein below would be open Monday to Friday between 10.00 a.m. and 5.00 pm and on Saturday between 10.00 am and 2.00 pm:

Address	Contact Person	Phone Nos.	Fax Nos.	E-mail ID
Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078	Awani Thakkar	022 - 25960320	022 - 2596 0328/29	awani.punjani@ intimespectrum.com
Intime Spectrum Registry Ltd. 203,Davar House, Next to Central Camera, D.N Road, Fort, Mumbai - 400 001	Vivek Limaye	022 -2269 4127	——	vivek.limaye@ intimespectrum.com
Intime Spectrum Registry Ltd. 59 C Chowringhee Road 3rd Floor, Kolkata 700 020	S P Guha	033-2289 0539 / 40	033-2289 0539 / 40 (Telefax)	kolkata@ intimespectrum.com

g) Shareholders who cannot hand deliver their documents at the Collection Centers referred above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at their address given below:

Intime Spectrum Registry Ltd. Unit: Hira Ferro Alloys Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Tel: +91-22-25960320 Fax: +91-22- 25960329

h) The payment of consideration for accepted applications will be made by the Acquirer in cash through account payee cheques, drafts, warrants, etc. sent by Registered Post for amounts exceeding Rs. 1,500 and otherwise by UCP in accordance with the Regulations, and the same will be drawn in the name of the first named person in case of joint Shareholders. It is desirable that Shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque / demand draft / pay order.

i) The Registrars to the Offer will hold in trust the Shares/Share certificates, Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of HFAL who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/ share certificates are dispatched/returned.

j) The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk. Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details furnished in the Form of Acceptance.

k) Subject to the Statutory Approvals as stated in Para 8.13 above, the Acquirer intend to complete all formalities, including the payment of consideration within a period of 15 days from the closure of the Offer, and for the purpose open a special account as provided under Regulation 29, provided that where the Acquirer are unable to make the payment to the Shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days, as may be specified by SEBI from time to time.

l) A copy of this Letter of Offer (including the Form of Acceptance and Form of Withdrawal) is expected to be available on SEBI's web-site (www.sebi.gov.in) during the period the Offer is open. Eligible Shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

m) In terms of the Regulations, Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the close of the Offer. The withdrawal option can only be exercised by submitting the Form of Withdrawal so as to reach the Registrar to the Offer at its address C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup - West, Mumbai - 400 078 either by hand delivery or by registered post by 5 P.M. on **June 04, 2008 (Wednesday).**

n) In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper mentioning the following details:

(i) In case of physical shares: Name, address, distinctive numbers, folio numbers, number of Shares tendered/withdrawn

(ii) In case of dematerialized shares: Name, address, number of Shares tendered/ withdrawn, DP name, DP ID, beneficiary account no. and a photocopy of delivery instruction in "off-market' mode or counterfoil of the delivery instruction in "offmarket" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

10. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, IL&FS Investsmart Securities Limited, The IL&FS Financial Centre, Plot C-22, G-Block, Bandra-Kurla Complex, Bandra(E), Mumbai - 400 051 from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

a) Memorandum and Articles of Association of Hira Ferro Alloys Limited.

b) Audited results of Hira Ferro Alloys Limited for the years ended March 31, 2005, 2006 and 2007 respectively and the certified unaudited results for the nine months period ended December 31, 2007.

c) Certificates of M/s O. P. Singhania & CO., Chartered Accountants, certifying the networth of the Acquirer.

d) Certificate of M/s O. P. Singhania & CO., Chartered Accountants, certifying the adequacy of financial resources with Acquirer to fulfill the open offer obligations

e) Escrow agreement entered into amongst the Acquirer, ICICI Bank Limited and IISL

f) Letter from ICICI Bank dated March 4, 2008 confirming the deposit referred in para 7.2.2 of this letter of offer.

g) Letter from IL&FS Financial Services Ltd. dated December 4, 2007 granting Term Loan facility to Acquirer Company

h) Published copy of Public Announcement dated March 5, 2008 and corrigendum dated May 7, 2008.

i) SEBI's observation letter no. CFD/DCR/AG/TO/123719/08 dated April 23, 2008.

j) Certificate from O. P. Singhania & Co. for Valuation of shares of the Target Company

11. DECLARATION BY THE ACQUIRER

The Acquirer and deemed PACs severally and jointly, accept full responsibility for the information contained in this Letter of Offer and shall be responsible for ensuring compliance with the Regulations.

FOR HIRA INDUSTRIES LIMITED ("Acquirer ")

Sd/-

Name:	Mr. Suresh Agrawal	Mr. Ajay Ahluwalia
Designation:	Director	Director

Date : May 07, 2008

Place : Raipur

Encl:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer deed for shareholders holding shares in physical form

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
HIRA FERRO ALLOYS OPEN OFFER

FROM
Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	May 20, 2008 (Tuesday)
OFFER CLOSES ON	June 09, 2008 (Monday)

To

M/S Hira Industries Limited
C/o Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compund,
LBS Marg, Bhandup(W),
Mumbai - 400078

Dear Sir,

Open offer for acquisition of up to 783,540 fully Paid-up Equity Shares of face value of Rs.10/- each, representing 20.00% of the fully Diluted voting share capital of Hira Ferro Alloys Ltd. at a price of Rs. 120 per fully paid-up equity share

I/We refer to the Letter of Offer dated **May 07, 2008** for acquiring the equity shares held by me/us in **Hira Ferro Alloys Limited.**

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We, hold the following shares in physical form and accept the offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Ledger Folio No.__________________________ No. of Share Certificate(s)______________________________No. of Shares___________________________________

Sr. No.	Certificate No.	Distinctive No(s)		No. of shares
		From	To	
			Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We confirm that the equity shares of **Hira Ferro Alloys Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.
I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our equity shares as detailed below

DP Name	
DP ID	
Client ID	
Name of Beneficiary	
No. of Shares	

I/We have done an off-market transaction for crediting the shares to the **"Escrow Account-Hira Ferro Alloys LimitedOpen Offer"** whose particulars are,

DP Name - Stock Holding Corporation of India	**Beneficiary ID 1601010000361633**

I/We note and understand that the Shares would lie in the said A/c i.e." Escrow Account- Hira Ferro Alloys Limited Open Offer" until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.
I/We authorise the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and
I/We further authorise the Acquirer to return to me/us, the equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialised shares, to the extent not accepted will be released to my Depository Account at my sole risk.
I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/firstholder at the address mentioned above.

The Permanent Account No. (PAN/GIR NO.) allotted under the Income Tax Act 1961 is as under

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first/sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of Bank		**A/c No.**	
Address of the Branch :	**Pin :**	**Savings/Current/NRE/NRO/Others (Please Tick)**	

Yours faithfully,

Signed & Delivered	FULL NAME (S)	SIGNATURE (S)
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holders all must sign. In case of body coporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place: Date:

Tear along this Line

Ack. Receipt

Hira Ferro Alloys Limited Open Offer
C/o Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compund, LBS Marg, Bhandup(W), Mumbai - 400078

Stamp of collection centre

Received from Mr./Ms./M/s____ Form of Acceptance cum Acknowledgement#________________________ Number of Share Certificates for___________________________ shares/# Copy of the Delivery Instruction to (DP) for______________________________ shares

Delete whichever is not applicable

INSTRUCTIONS

1. **In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.**
2. **Shareholders should enclose the following:-.**

   i. **For Equity shares held in demat form: -**

   Beneficial owners should enclose

   - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
   - For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

   In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

   ii. **For Equity shares held in physical form: -**

   Registered Shareholders should enclose:

   - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
   - **Original Share Certificate(s).**
   - **Valid Share Transfer form(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Hira Ferro Alloys Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

   In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates alongwith the duly completed transfer form, the Offer shall be deemed to be accepted.

   Unregistered owners should enclose:

   - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
   - **Original Share Certificate(s).**
   - **Original broker contract note.**
   - **Valid Share Transfer form(s)** as received from the market.

   The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.
3. **The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or Hira Ferro Alloys Limited.**
4. **Shareholders having their beneficiary account in NSDL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with CDSL.**
5. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Hira Ferro Alloys Limited. If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.**
6. **Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.**

— — — — — — — — — — — — — — — — — TEAR HERE — — — — — — — — — — — — — — — — —

Note: All future correspondence, if any, should be addressed to the Registrar to the Offer

Intime Spectrum registry Ltd.

(Unit: Hira Ferro Alloys Limited)

C-13, Pannalal Silk Mills Compund, LBS Marg, Bhandup(W), Mumbai - 400078

Tel.: 022 - 5555 5491 Fax: 022 - 5555 5499

FORM OF WITHDRAWAL
HIRA FERRO ALLOYS OPEN OFFER

From:	OFFER SCHEDULE	
Folio No./DP ID/Client ID	OFFER OPENS ON	May 20, 2008 (Tuesday)
	LAST DATE OF WITHDRAWAL	June 04, 2008 (Wednesday)
	OFFER CLOSES ON	June 09, 2008 (Monday)

To,
M/S Hira Industries Limited
C/o **Intime Spectrum Registry Ltd.**
C-13, Pannalal Silk Mills Compund, LBS Marg,
Bhandup(W), Mumbai - 400078

Dear Sir/Madam,

Open offer for acquisition of up to 783,540 fully Paid-up Equity Shares of face value of Rs.10/- each, representing 20.00% of the fully Diluted voting share capital of Hira Ferro Alloys Ltd. at a price of Rs. 120 per fully paid-up equity share

I/We refer to the Letter of Offer dated May 07, 2008 for acquiring the equity shares held by me/us in Hira Ferro Alloys Limited.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share Certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e, no later than 17.00 hours on June 04, 2008.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No ________No. of Share Certificate(s) ___________ No. of Shares____________

Sr. No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
			Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We hold the following Shares in dematerialised Form and had done an off-market transaction for crediting the Shares to the **"Escrow Account- Hira Ferro Alloys Limited Open Offer"** as per the following particulars:

DP Name - Stock Holding Corporation of India	Beneficiary ID	1601010000361633

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by the Depository Participant. The particulars of the account from which my/our Shares have been tendered are as detailed below

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and delivered

Signed & Delivered	FULL NAME (S)	SIGNATURE (S)
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holdings, all holders must sign. A Corporation must affix its rubber stamp.
Place: Date:

————————————————Tear along this Line————————————————

Acknowledgement Slip
Hira Ferro Alloys Limited Open Offer

Folio No/DP ID/Client ID

Received from Mr./Ms.______________________________________Address______________________________________

Number of Certificate(s) enclosed_______________ Certificate Numbers_________________ Total Number of share(s) enclosed__________________________ Signature of Official ________________________ Date of Receipt ________________________

Note: All future correspondence, if any, in connection with this offer, should be addressed to the Registrar to the Offer

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e no later than 17.00 hours on June 04, 2008.**
2. **Shareholders should enclose the following: -**
   i. For Equity Shares held in demat form:- Beneficial owners should enclose
      - Duly signed and completed Form of Withdrawal.
      - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum- Acknowledgement in case delivered by Registered A.D.
      - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

   ii. For Equity Shares held in physical form:- Registered Shareholders should enclose:
      - Duly signed and completed Form of Withdrawal.
      - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Hira Ferro Alloys Limited and duly witnessed at the appropriate place.

   iii. Unregistered owners should enclose:
      - Duly signed and completed Form of Withdrawal.
      - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of Intime Spectrum Registry Ltd. stated in Clause 9.2(h) of the Letter of Offer.
9. Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compund, LBS Marg, Bhandup(W), Mumbai - 400078 so as to reach the Registrars on or before the last date of withdrawal i.e. June 04, 2008, Wednesday.

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Note: All future correspondence, if any, should be addressed to the Registrar to the Offer

Intime Spectrum registry Ltd.

(Unit: Hira Ferro Alloys Limited)

C-13, Pannalal Silk Mills Compund, LBS Marg, Bhandup(W), Mumbai - 400078

Tel.: 022 - 5555 5491 Fax: 022 - 5555 5499