

INFORMATION MEMORANDUM
OF
HIRA FERRO ALLOYS LIMITED

HIRA FERRO ALLOYS LIMITED

Hira Ferro Alloys Limited (HFAL) was incorporated as Parin Commercials Limited on 31st December, 1984 and was granted Certificate of Commencement of business on 8th January, 1985. On May 21, 1990 the name of the Company was changed to the present name i.e. Hira Ferro Alloys Limited (HFAL).

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest in the equity shares of Hira Ferro Alloys Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Hira Ferro Alloys Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF HIRA FERRO ALLOYS LIMITED

Hira Ferro Alloys Limited having made all reasonable enquiries, accepts all responsibility for, and confirms that this Memorandum of Information all information with regard to HFAL, which is material, that the information contained in the information memorandum is true and correct in all material respect and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or expression of any such opinions and intentions misleading in any material respect.

LISTING

The Equity Shares of the Company are listed on Madhya Pradesh Stock Exchange, Indore (MPSE) and Delhi Stock Exchange Association Limited (DSE) and are now listed on Bombay Stock Exchange Limited and proposed to be traded on this exchange.

GENERAL INFORMATION

1.	Name of the Company	Hira Ferro Alloys Limited
2	ISIN Number	INE573101011
3	Registered office Address	567B, Urla Industrial Area, Raipur, Chhattisgarh, India
4	Telephone Numbers	+91 771 4082350 +91 771 4082360
5	Fax Number	+91 771 4082440
6	Name of the Compliance officer	Mr. Mohit Chande, Company Secretary
7	Registrar & Transfer Agent	M/s Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup Mumbai – 400 078 Tel : 022 25963838 Email : isrl@linkintime.co.in
8	Corporate Information Site	www.hiraferro.com
9	Managing Director of the Company	Mr. N.P. Agrawal

PROHIBITION BY SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

CAUTION

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

DISCLAIMER CLAUSE OF BSE

As required, a copy of this Information Memorandum is being submitted to BSE. The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be traded or will continue to be traded on the BSE; or

take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason.

DEMAT CREDIT

The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of its shares under ISIN number INE 573I01011.

CAPITAL STRUCTURE

Authorised Share Capital 1,20,00,000 Equity Shares of Rs. 10/-
Each aggregating to Rs. 12,00,00,000

Issued Share Capital 39,80,000 Equity Shares of Rs. 10/-
Each aggregating to Rs. 3,98,00,000

Subscribed and Paid Up Capital 39, 17,700 Equity Shares of Rs. 10/-
each aggregating to Rs. 3,91,77,000

SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCEPTION

Date of Allotment	No. of Shares Allotted	Cumulative No. of Shares	Issue Price Face Value + Premium (Rs.)	Consideration	Nature of Issue	Identity of allottees	Cumulative Share Premium
31.12.1984	70	70	10	Cash	Subscription	Subscribers to Memorandum of Association	NIL
09.02.1985	94930	95,000	10	Cash	Allotment	Promoters	NIL
02.04.1985	150000	245,000	10	Cash	Public Issue	Public	NIL
28.08.1990	917700	1,162,700	10	Cash	Right Issue	All Shareholders	NIL
29.09.1994	340000	1,502,700	10+50	Cash	Preferential Allotment	Deemed PAC	1,70,00,000
26.12.1994	290000	1,792,700	10+50	Cash	Preferential Allotment	Deemed PAC	3,15,00,000
31.03.1995	125000	1,917,700	10+50	Cash	Preferential Allotment	Deemed PAC	3,77,50,000
02.03.2005	2000000	3,917,700	10+60	Cash	Preferential Allotment	Other Bodies Corporate/ Deemed PAC	15,77,50,000

BUSINESS

The 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 Company has a reasonably large capacity for the manufacture of Ferro Alloys. The Plants are located in proximity to a host of steel manufacturing hubs domestically. A bulk of the new projects announced in steel too is in the vicinity of the Company's production facilities. Currently there has been some return of interest to Ferro Alloys given the increased demand for steel

and steel products. The Company continues to scrutinize the overall position and will adjust its use of power for Ferro Alloy production as and when required. The Ferro Manganese and Silico Manganese which are primarily used as alloying elements in the production of steel and modifying its strength and hardness and corrosion resistance. Ferro Alloys are also used to remove unwanted impurities from the steel such as phosphorous and Sulphur. The growth of Ferro Alloys industry is directly linked with the growth of Iron and Steel Industry. The Company engaged in generation of captive power for use in manufacturing of ferro alloys and also selling power in short term market through merchant sale with view to optimize revenue and profitability. The company intends to set-up of a Wind Power Project in the State of Karnataka or any other place as may be Board of directors deemed fit. In India at present and investment in this sector would be beneficial for the company. Thus private players are expected to play a major role in meeting India's power requirement in the next decade.

Plant Location

568 & 553B, 567 B, Urla Industrial Area, Raipur Chhattisgarh – 493221
Tel : 0771-2323800, 2323037, Fax: 0771-4082440

Plant capacity

The 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 52,200, Bricks is 3,00,000 Nos., Power is 21.50 MW/KWH and Briquet 115000 MT as on March 31, 2010.

Major Raw Material

Manganese Ore is the main raw material for manufacture of ferro Manganese and silico manganese and coal is the main raw material for generation of power.

Power

The company having own captive Power plant in addition to which the Company is also sourcing its addition power requirement from the state electricity Generating Company.

BOARD OF DIRECTORS & MANAGEMENT

HFAL is a Board managed Company under the Chairmanship of Shri. G.B. Desai. Highly qualified and experienced professionals support the Board and Working Directors. The Board of Directors is comprised of the following:

Shri Govindbhai Baldevbhai Desai, Chairman, Non-Executive Independent, Director, 82 years, is a diploma holder in accounts and secretarial practice. He has over three decades of experience in the field of capital markets. He is the ex-president of the Bombay Stock Exchange Limited. He has been associated with our Company since June 2008.

Shri Narayan Prasad Agrawal, Managing Director, 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 Godawari Power and Ispat Limited, Godawari Energy Limited Hira Energy Limited. He has been associated with our company since October, 1990.

Shri Bajrang Lal Agrawal, Non-Executive Director, 55 years, is an Electrical Engineer from Pandit Ravi Shankar Shukla University, Raipur. He is the promoter and the Director of the Company. 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 Cement Limited, Krishna Global Minerals Limited, SAG International Limited, Godawari Energy Limited and Shourya Diamonds Limited. He has been associated with our Company since December, 2003.

Shri Hanuman Prasad Agrawal, Whole-Time Director, 51 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 Energy Limited. He has been associated with our Company since 1990 in various capacities and has been appointed as Director with effect from March, 2007.

Shri Yarra Chandra Rao, Non-Executive Director, 45 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 Presently Working as Company Secretary in Godawari Powe rand ispat Limited. 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 our Company since April, 1996 and has been appointed as Director in April 1999.

Shri Umesh Agrawal, Non- Executive Independent Director, 28 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 and has been appointed as Director.

MANAGEMENT PROFILE

The Company has built up a strong senior team of managers handling the functions of Marketing, Production, Quality Control, Finance & Accounts, Secretarial, General Administration, etc., under the overall control of the Board for handling day-to-day operations of the company. They are as under:

Mr. Vinay Agrawal Chief Executive Office a MBA and is managing the industry as a whole since 5 years. He is best known for his implementations and managerial skills. He is currently involved with the day to day administration of the company.

Mr. T. Bose - Graduate – GM (Finance) - has over fifteen years of experience in finance and project appraise.

Mr. Arvind Dubey – Commerce Graduate -Plant Head- has over twenty years of experience in general administration.

Mr. Ram J. Sing – Graduate – GM Plant (Works) - has over twenty years of experience in the steel and ferro alloys industry.

Mr. Dinesh Jain – BE (Mech.) – DGM Power Plant (O & M) - has over ten years of experience in Power Sector.

Mr. Sandeep Hui – BE (Ele.) – DGM Power Plant (E & I) - has over eight years of experience in Power Sector.

Mr. Devanand Chauragade – Graduate, Diploma in Business Management – Sr. Manager (Sales) - has over ten years of experience in Marketing and Foreign Trade.

Mr. Mohit Chande – Associate Member of Institute of Company Secretaries of India and Post Graduate in Commerce & Economics – Company Secretary - has over two and half years experience in corporate laws and secretarial matters.

FINANCIAL INFORMATION

Brief audited financial details for the last five years are given below: (Rs. In Lacs)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
PROFIT & LOSS STATEMENT	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations	2208.34	6874.01	32049.23	28159.87	10376.93
Other Income	210.44	783.73	81.55	120.82	93.53
Total Income	2418.78	7657.74	32130.78	28280.69	10470.46
Increase / (Decrease) in Stock	-55.84	24.5	150.07	320.59	514.48
Total Expenditure	2228.64	5789.98	27497.44	25506.37	7887.85
Profit before Depreciation, Interest and tax	134.3	1892.26	4783.41	3094.91	3097.09
Depreciation	62.21	255.77	424.06	501.61	551.21
Interest	30.57	286.22	482.44	806.07	696.28
Profit before Tax	41.52	1350.27	3876.91	1787.23	1849.60
Add: Prior Period Adjustment	----	1.59	----	----	-----
Current Tax	10.58	151.51	432.55	204.00	329.50
Deferred Tax	-4.46	306.92	-701.74	390.28	-241.53
Profit related to earliar years	0.35			34.45	10.88
Profit after Tax	35.4	893.43	4146.1	1158.50	1750.75
BALANCE SHEET STATEMENT					
SOURCES OF FUNDS					
Paid up share capital	391.77	391.77	391.77	391.77	391.77
Reserves and Surplus (excluding revaluation reserves)	1811.15	2637.57	6644.18	7665.18	9278.43
Net worth	2202.92	3029.34	7035.95	8056.95	9670.20
Secured loans	3004.46	4588.94	5170.55	4832.77	5725.52
Unsecured loans	1536.75	1417.62	459.45	2555.38	1232.10
Deferred Tax Liability	126.91	433.83	----	121.35	0.00
Total	6871.04	9469.73	12665.95	15566.45	16627.82
USES OF FUNDS					
Net fixed assets	1002.24	7398.05	8647.03	8687.99	10093.94
Capital Work in Progress	4864.16	397.07	0.92	823.81	191.89
Investments	50.01	18.73	1035.73	1500.03	1584.81
Net current assets	954.63	1655.88	2713.35	4549.25	4632.97
Deferred Tax Assets	----	----	268.92	0.00	120.18
Misc. Exp.	---	-----	---	5.37	4.03
Total	6871.04	9469.73	12665.95	15566.45	16627.82
OTHER FINANCIAL DATA					
Dividend (%)	5	15	30	30	30
Earnings Per Share (Rs.)	0.9	22.8	105.83	29.57	44.69
Return on Net worth (%)	1.61	29.49	58.93	14.38	18.10
Book Value Per Share (Rs.)	56.23	77.32	179.59	205.66	246.83

TOP 10 SUPPLIERS

SL.NO	NAME OF THE TOP 10 SUPPLIERS*
1	MANGANESE ORE INDIA LTD.
2	RUNGTA TRANSPORT
3	SOUTH EASTERN COAL FIELD LTD.
4	JINDAL STEEL & POWER LTD
5	SAKHARAM ENTERPRISES
6	GODAWARI POWER & ISPAT LTD
7	WESTON ELECTRO CARBON & GRAPHITE PRODUCTS
8	SHREE SALASAR STEEL SUPPLIERS
9	ASHISH ENTERPRISES
10	JAGDAMBA POWER & ALLOYS LTD

TOP 10 CUSTOMERS

SL.NO	NAME OF THE TOP 10 CUSTOMERS*
1	SHRI KAKSHI INTERNATIONAL
2	ASCENT ENTERPRISES
3	GMR ENERGY TRADING LTD.
4	KNOWLEDGE INFRASTRUCTURE SYSTEMS PVT. LTD.
5	SHREE SALASAR STEEL SUPPLIERS,
6	QVC. EXPORTS PVT. LTD.
7	TATA POWER TRADING CO. LTD.
8	KAY BEE INDUSTRIAL ALLOYS P. LTD.
9	CHHATTISGARH STATE ELECTRICITY BOARD,RAIPUR
10	BMI MINERALS PRIVATE LTD.

* As on 31st August, 2010.

CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance:

Corporate Governance is about commitment to values and ethical business conduct. It is about how to manage an organization, that is to say, how to manage its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Proper, accurate and timely disclosure of information regarding the affairs of the Company, its financial position, performance, ownership and governance is an integral part of the philosophy of Corporate Governance.

BOARD OF DIRECTORS:

COMPOSITION:

In terms of the Company's Corporate Governance Policy, all statutory and other significant & material information is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

The Board of Directors has a combination of Executive, Non-executive and Independent Directors. The Board comprises of two whole time directors (one of them being the Managing Director) and four Non-executive Directors. Two of the Non-executive Directors are Independent Directors one of whom being the Chairman. The Constitution of the Board is exactly as per the requirements of Clause 49 of the Listing Requirement. Except the Managing Director, all other Directors are liable to retire by rotation.

BOARD PROCEDURES:

Your Company's Board of Directors plays the primary role in ensuring good governance and functioning of the Company. In addition to the items which are required to be placed before the Board for its noting and/or approval under the

statutes or regulations, the Board also reviews from time to time compliance reports of all laws applicable to the Company.

There were five meetings of the Board of Directors held during the financial year 2009-2010 i.e. on 21.04.2009, 28.06.2009, 28.07.2009, 31.10.2009 and 28.01.2010. Detailed Agenda Notes with information as enumerated in the Listing Agreement were circulated in advance to the Board.

The Composition of Board, Directors' attendance at the Board Meetings during the year and also at the last Annual General Meeting, number of directorships in other companies and membership in other committees etc. are as follows:

Name & Designation	Board Meetings		No. of other Membership in the Attendance Directorship*	Membership in the committees of other companies		Attendance at the last AGM 22.09.2009
	Held	Attended		As a Member	As a Chairman	
Shri G. B. Desai Chairman Independent Director	5	4	2	2	1	Yes
Shri N.P. Agrawal Managing Director / Executive	5	5	11	NIL	NIL	Yes
Shri H.P. Agrawal Executive Director	5	4	3	NIL	NIL	Yes
Shri B.L. Agrawal Non-Executive Director	5	5	13	1	NIL	Yes
Shri Y.C. Rao Non-Executive Director	5	5	1	NIL	NIL	Yes
Shri Umesh Agrawal Independent Director	5	5	NIL	NIL	NIL	Yes

*Other Directorship excludes Directorship in Private Limited Companies.

CODE OF CONDUCT:

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel to avoid any conflict of interest. The declarations with regard to the compliance to the Code of Conduct have been received for the financial year 2009-10. The Board of Directors has noted the adherence to the code of conduct. The Code of conduct is available on the web-site of the Company viz. www.hiraferro.com.

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURE:

The non- executive directors are paid sitting fee of Rs. 5000 for attending each Board Meeting and Rs.2000 for attending each Committee Meeting.

AUDIT COMMITTEE:

CONSTITUTION AND COMPOSITION

The Committee has two Independent and one Non-Executive Director. All the members of the Audit Committee are financial literates as required by Clause 49 of the Listing Agreement. The functioning and terms of reference of the Audit Committee, the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956 and as are in force/ applicable from time to time. The Company Secretary acts as the Secretary of the Audit Committee. The Audit Committee invites, as and when considers appropriate, the Auditors to be present at the meeting of the Committee.

The committee met five times during the year 2009-10. The composition of the Committee & the details of meeting attended by the Directors during the year are given below:

Name of the Chairman/ Member	Category	No. of Meetings attended
1. Mr. G. B. Desai	Chairman (Independent Director)	05
2. Mr. Umesh Agrawal	Member (Independent Director)	05
3. Mr. Y. C. Rao	Member (Non-Executive Director)	05

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted the Shareholders/ Investors Grievance Committee comprising of One Independent and two Non-Executive Directors and the Committee is headed by Shri Umesh Agrawal, an Independent director and Company Secretary has been designated as secretary to the committee.

The Committee oversees the performance of the Registrar and Share Transfer Agents', recommends measures to improve the level of investor services and matters pertaining to shareholders' complaints and grievances e.g. non-receipt of annual report, non-receipt of dividend warrant, change of address etc..

The committee met Two times during the year 2009-10. The composition of the Committee & the details of meeting attended by the Directors during the year are given below:

Name of the Chairman/ Member	Category	No. of Meetings attended
1. Mr. Umesh Agrawal	Chairman (Independent Director)	02
2. Mr. B.L. Agrawal	Member (Non-Executive Director)	02
3. Mr. Y. C. Rao	Member (Non-Executive Director)	02

The Company has not received any investor's grievances during the year ended 31st March, 2010, all of which were replied/ resolved during the period by Company and our Registrar & Transfer Agents M/s. Link Intime India Private Limited, Mumbai.

The Chairman of the committee has attended the last Annual General Meeting for giving replies to shareholder's queries.

REMUNERATION COMMITTEE:

The Remuneration Committee is constituted of three Directors out of which two are Independent Directors and One Executive Director. The remuneration of directors in all the cases is decided by the Board subject to necessary approval of shareholders, remuneration committee and other applicable approvals, if any.

The committee met only one time during the year 2009-10. The composition of the Committee & the details of meeting attended by the Directors during the year are given below

Name of the Chairman/ Member	Category	Meetings attended
1. Mr. G. B. Desai	Chairman (Independent Director)	01
2. Mr. N.P. Agrawal	Member (Managing Director)	01
3. Mr. Umesh Agrawal	Member (Independent Director)	01

REMUNERATION POLICY

A. FOR EXECUTIVE / MANAGING DIRECTOR:

The Board of Director/ Remuneration Committee is authorized to decide the remuneration of the Managing Director/ Executive Directors subject to the approval of members. The remuneration structure comprises only of the salary includes perks and other benefits. No severance fees is payable to the Directors on termination of the employment. The Company does not have any scheme for Stock-option either for the directors or the employees. Save and except Mr. Narayan Prasad Agrawal, Managing Director, and Mr. Hanuman Prasad Agrawal, Executive Director, no other director is drawing remuneration.

B. FOR NON-EXECUTIVE DIRECTORS:

Sitting fee to Non-Executive Directors including Independent Directors are within the limits prescribed under the Companies Act, 1956 for payment for sitting fees without approval of the Central Government.

The non- executive directors are paid sitting fee of Rs. 5000 for attending each Board Meeting and Rs.2000 for attending each Committee Meeting.

DISCLOSURES:

BASIS OF RELATED PARTY TRANSACTIONS

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of material individual transactions with related parties that are not in the normal course of business and details of material individual transactions with related parties that are not on an arm's length basis are placed before the audit committee. There are no material transactions with related parties, which require separate disclosure. A comprehensive list of transactions entered into with the related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India is given as a separate Schedule to the accounts in the Annual Report.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all relevant accounting standards while preparing the financial statements.

RISK MANAGEMENT

The risk management issues are discussed in detail in the report of Management Discussion and Analysis. Since the risk control framework is new to Indian corporate culture, it is being strengthened on a continuous basis.

The Board has yet to lay down procedures to inform the company's risk assessment and minimization procedures. The company is in process of devising the risk assessment and minimization procedures which shall be laid before the Board of Directors of the company for approval.

PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES ETC

There were no public issues, right issues, preferential issues etc. during the Financial Year 2009-10 under review.

REMUNERATION OF DIRECTORS

During the year Shri Narayan Prasad Agrawal, Managing Director has been paid remuneration of Rs.15.60 Lacs and Shri Hanuman Prasad Agrawal, Executive Director has been paid remuneration of Rs.19.20 Lacs by way of Salary, Perquisites & Contribution to Provident Fund etc. within the limit prescribed in the Schedule XIII of the Companies Act, 1956. All the other Directors are in receipt of sitting fees from time to time as may be decided by the Board as per the provisions of Articles of Association of the Company.

MANAGEMENT

Management Discussion and Analysis report has been given as a separate chapter in the Annual Report.

DISCLOSURE OF MATERIAL TRANSACTIONS

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, or relatives etc. that may have a potential conflict with interests of the Company.

INSIDER TRADING DISCLOSURE:

Comprehensive insider trading disclosure guidelines in line with the SEBI Regulations have been adopted by the Board in which the procedure to be followed by all the key managerial persons, staff and other relevant business associates for disclosure of all security transactions of the shares of the company on the basis of any unpublished price sensitive information relating to the company.

COMMUNICATION TO SHAREHOLDERS:

Quarterly results are sent to the stock exchanges on which the Company is listed and are also published in leading dailies namely Hitavada/Business Standard and Business Bhasker /Amrit Sandesh.

OTHER INFORMATION TO SHAREHOLDERS:

The location, date and time of the last three Annual General Meetings were as under:

YEAR	DATE	TIME	VENUE
2006-2007	25.09.2007	03.00 P.M.	1 st Floor, Hira Arcade, Pandri, Raipur
2007-2008	23.09.2008	04.30 P.M.	1 st Floor, Hira Arcade, Pandri, Raipur
2008-2009	22.09.2009	04:00 P.M.	567 B, Urla Industrial Area, Raipur

The Company passed a Special Resolution in the Annual General Meeting held on 25.09.2007 in respect of appointment of Mr. H. P. Agrawal as Whole-time Director of the Company with retrospective effect from 01.03.2007 and approved the remuneration structure payable to him.

The Company passed a Special Resolution in the Annual General Meeting held on 23.09.2008 in respect of substitution of Clause V (Capital Clause) of the Memorandum of Association of the Company for increase in Authorized Share Capital of the Company from Rs.4.00 Crores to Rs.12.00 Crores.

DISCLOSURES

There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis.

A disclosure of related party relationship and transactions as per AS-18 is given in the 'Related Party Transactions' Note No.8 in the Annual Accounts of the Company.

While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards are followed.

The Company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

The Company has not raised money from the Public Issue.

The Company does not have any subsidiary.

All mandatory requirements and one non-mandatory requirement have been appropriately complied with, and the other non-mandatory requirements are dealt with at the end of this report.

7. MARKET PRICE DATA

Not Available since there is no official trading in any of the Stock Exchanges.

**8. SHARE PRICE MOVEMENT IN COMPARISON : Not Applicable
TO BROAD BASED INDICES**

9 REGISTRAR AND TRANSFER AGENT

: M/s. Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, L.B.S.
Marg, Bhandup, Mumbai 400 078

Ph: 022-25963838

Fax: 022-25946969

Website: www.linkintime.co.in

10 SHARE TRANSFER SYSTEM:

The company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants. The company's shares can be traded in the demat mode off market since there is no official trading in any of the Stock Exchanges. Therefore, the investors/shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DPs) directly to the Share Transfer Agents. Any delay on the part of the DPs to send the DRF and the Share Certificates beyond 15 days from the date of generation of DRN by the DP will be rejected /cancelled. This is being done to ensure that no demat requests remain pending with the Share transfer Agents beyond a period of 21 days. Investors/shareholders should therefore, ensure that their DPs do not delay in sending the DRF and Share Certificates to the Share Transfer Agent after generating the DRN. Share Transfer in physical form can also lodge with the company at its Registered Office. Transfers normally are processed within the stipulated time, if the documents are complete in all respects. All share transfers are approved by Board Meeting or Investor Grievance Committee.

SHAREHOLDING PATTERN AS ON 31ST AUGUST, 2010.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	5	93200	36000	2.3789	2.3789	NIL	NIL
(b)	Central Government/ State Government(s)	0	0	0	0	0.0	NIL	NIL
(c)	Bodies Corporate	8	2354100	2352200	60.0888	60.0888	NIL	NIL
(d)	Financial Institutions/ Banks	0	0	0	0	0	NIL	NIL
(e)	Any Other (specify) Person Acting in Concert	17	398400	337300	10.17	10.1700	NIL	NIL
	Sub-Total (A)(1)	30	2845700	2725500	72.6370	72.6370	NIL	NIL
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	NIL	NIL
(b)	Bodies Corporate	0	0	0	0	0	NIL	NIL
(c)	Institutions	0	0	0	0	0	NIL	NIL
(d)	Any Other (specify)	0	0	0	0	0	NIL	NIL
	Sub-Total (A)(2)	0	0	0	0	0	NIL	NIL
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	30	2845700	2725500	72.6370	72.6370	NIL	NIL
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	NA	NA
(b)	Financial Institutions/ Banks	0	0	0	0	0	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0	0	NA	NA
(d)	Venture Capital Funds	0	0	0	0	0	NA	NA
(e)	Insurance Companies	0	0	0	0	0	NA	NA
(f)	Foreign Institutional Investors	0	0	0	0	0	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0	0	NA	NA
(h)	Any Other (specify)	0	0	0	0	0	NA	NA
	Sub-Total (B)(1)	0	0	0	0	0	NA	NA

2	Non-institutions							
(a)	Bodies Corporate	11	71700	58200	1.8302	1.8302	NA	NA
(b)	Individuals -						NA	NA
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	213	192200	164600	4.9059	4.9059	NA	NA
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	47	797600	515700	20.3589	20.3589	NA	NA
(c)	Any Other (specify)							
(a)	Clearing Member	0	0	0	0	0	NA	NA
(b)	Trust	0	0	0	0	0	NA	NA
(c)	Non Resident Indians (Repat)	0	0	0	0	0	NA	NA
(d)	Non Resident Indians (Non Repat)	0	0	0	0	0	NA	NA
(e)	Overseas Body Corporates	0	0	0	0	0	NA	NA
(f)	Other Director	2	10500	10500	0.2680	0.2680	NA	NA
	Sub-Total (B)(2)	273	1072000	749000	27.3630	27.3630	NA	NA
	Total Public Shareholding (B)= (B)(1)+(B)(2)	273	1072000	749000	27.3630	27.3630	NA	NA
	TOTAL (A)+(B)	303	3917700	3474500	100.0000	100.0000	NA	NA
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	NA
	GRAND TOTAL (A)+(B)+(C)	303	3917700	3474500	100.0000	100.0000	NA	NA

(I)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+ (C)	Number	As a percentage (VI)=	As a % of grand total (A)+(B)+ (C) of sub-clause (I)(a)
(I)	(II)	(III)	(IV)	(V)	(V)/(III)*100	(VII)
1	Shri Bajrang Lal Agrawal	2800	0.0715	0	0	0
2	Smt Sarita Agrawal	4400	0.1123	0	0	0
3	Shri Abhishek Agrawal	200	0.0051	0	0	0
4	Shri Sidharth Agrawal	200	0.0051	0	0	0
5	Shri Hanuman Prasad Agrawal	21000	0.5360	0	0	0
6	Shri B.L. Agrawal	18000	0.4595	0	0	0
7	Shri Jagdish Prasad Agrawal (HUF)	900	0.0230	0	0	0
8	Shri Bajrang Lal Agrawal (HUF)	600	0.0153	0	0	0
9	Shri Jagdish Prasad Agrawal	600	0.0153	0	0	0
10	Smt. Madhu Agrawal	39900	1.0185	0	0	0
11	Smt.Godavari Devi Agrawal	38500	0.9827	0	0	0
12	Shri Hanuman Prasad Agrawal (HUF)	800	0.0204	0	0	0
13	Smt.Sita Devi Agrawal	12800	0.3267	0	0	0
14	Smt. Kanika Agrawal	900	0.0230	0	0	0
15	Shri Amit Agrawal	2500	0.0638	0	0	0
16	Smt.Reena Agrawal	36300	0.9266	0	0	0
17	M/s Ram Richpal Agrawal (HUF)	2000	0.0511	0	0	0
18	Shri Dinesh Agrawal	213000	5.4369	0	0	0
19	Shri Dinesh Agrawal	2600	0.0664	0	0	0
20	Shri Narayan Prasad Agrawal	33400	0.8525	0	0	0
21	Shri Narayan Prasad Agrawal	18000	0.4595	0	0	0
22	Shri G.P. Agrawal	42200	1.0772	0	0	0
23	M/s Hira Industries Limited	1560300	39.8269	0	0	0
24	M/s Hira Steels Limited	10000	0.2553	0	0	0
25	M/s Godawari Power and Ispat Ltd.	52000	1.3273	0	0	0
26	M/s R.R. Ispat Limited	394000	10.0569	0	0	0
27	M/s Hira Cement Limited	130000	3.3183	0	0	0
28	M/s Hira Power and Steels Limited	10900	0.2782	0	0	0
29	M/s Hira Industries Limited	1900	0.0485	0	0	0
30	M/s Alok Ferro Alloys Limited	195000	4.9774	0	0	0
	TOTAL	2845700	72.6370	0	0	0

(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	-	-	-
	TOTAL	-	-

(I) (d) Statement showing details of locked-in shares

Sr. No.	Name of the Shareholder	Category of Shareholders (Promoters/Public)	Number of locked-in shares	Locked-in shares as a percentage of total number of shares { i.e.,Grand Total (A) +(B)+ (C) indicated in Statement at para (I) (a) above}
1	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL

I) (a) Statement showing details of Depository Receipts

Sr.No.	Type of outstanding DR (ADRs, GDRs, SDRs etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil

(II) (b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

Sr.No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil

LIST OF TOP TEN SHAREHOLDERS OF THE COMPANY AND THEIR SHARHOLDING

SI No.	NAME OF SHAREHOLDER	NO. OF SHARES	% ON PAID UP CAPITAL
1	HIRA INDUSTRIES LIMITED	1560300	39.8269
2	R R ISPAT LIMITED	394000	10.0569
3	DINESH AGRAWAL	213000	5.4369
4	ALOK FERRO ALLOYS LTD	195000	4.9774
5	HIRA CEMENT LIMITED	130000	3.3183
6	GODAWARI POWER AND ISPAT LTD	52000	1.3273
7	GOPAL PRASAD AGRAWAL	42200	1.0772
8	MADHU AGRAWAL	39900	1.0185
9	GODAWARI AGRAWAL	38500	0.9827
10	REENA AGRAWAL	36300	0.9266

DETAILS OF SUBSIDIARY COMPANY AND GROUP COMPANIES

The Company does not have any subsidiary Company. The Details of Group Company as under:

Sl. No.	Name & Registered Office of the Company	Listed / Unlisted	Year of Incorporation	Nature of Activity
1	Godawari Power and Ispat Limited 428/2, Phase I, Siltara, Raipur(C.G.)	Listed in NSE & BSE	1999	Manufacturing of Steel and Generation of Power
2	Hira Steels Limited 720/1,Rawabhata, Raipur (C.G.)	Unlisted	1994	Manufacturing, Processing and Trading of Irons & Steels product like Wire Rods and HB Wires & Wind Power
3	Alok Ferro Alloys Limited 458/1, Urla, Industrial Area, Raipur (C.G.)	Unlisted	1987	Manufacturing of Ferro Alloys
4	Hira Industries Limited 572, Urla Industrial Area, Urla, Raipur (C.G.)	Unlisted	1987	Iron Ore Crushing, Wind Power and Cement Trading
5	Hira Cement Limited Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)	Unlisted	1994	Cement Grinding
6	R.R. Ispat Limited 490/1, Urla Industrial Area, Raipur (C.G.)	Unlisted	1999	Manufacturing of Bars & Iron Rods, Non Alloys Steels and Wind Energy
7	Maruti Clean Coal And Power Limited Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)	Unlisted	1999	Coal Washaries and Power Generation
8	Hira Power and Steels Limited 557, 563,Urla Industrial Area,Raipur (C.G.)	Unlisted	1984	Manufacturing of Ferro Manganese, Silico Manganese and Ferro Silicon
9	Hira Energy Limited (Formerly Known as Power and Alloys Ltd.) Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)	Unlisted	2003	The Company has not started any commercial Activities.
10	Chhattisgarh Power & Coal Beneficiation Ltd. Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)	Unlisted	2003	Coal Beneficiation

Raipur, 15.09.2010

MANAGING DIRECTOR