

Star Ferro and Cement Limited

Regd. Office : VIII : Lumshnong, P.O. Khaliehriat, Dist. East Jaintia Hills, Meghalaya-793 210 Phone : 03655-278215/16/18, Fax : 03655-278217
Email : info@starferrocement.co.in, Website : www.starferrocement.co.in. CIN : L27310ML2011PLC008564

AS PER ANNEXURE V

Brief particulars of the transferee/resulting and transferor/demerged companies

Particulars	Transferee/Resulting Company	Transferor/Demerged Company
Name of the company	Star Cement Limited	Star Ferro and Cement Limited
Date of Incorporation & details of name changes, if any	02/11/2001	10/03/2011
Registered Office	Village: Lumshnong, PO: Khaliehriat, Dist: East Jaintia Hills, Meghalaya – 793210	Village: Lumshnong, PO: Khaliehriat, Dist: East Jaintia Hills, Meghalaya - 793210
Brief particulars of the scheme	Please refer Annexure V.1	
Rationale for the scheme		
Date of resolution passed by the Board of Director of the company approving the scheme	August 1, 2016	August 1, 2016
Date of meeting of the Audit Committee in which the draft scheme has been approved	August 1, 2016	August 1, 2016
Appointed Date	April 1, 2016	April 1, 2016
Name of Exchanges where securities of the company are listed	Presently not listed. Proposed to be listed on The National Stock Exchange of India Ltd and BSE Limited	Listed on: •The National Stock Exchange of India Ltd. •BSE Limited
Nature of Business	Manufacturing of Cement	No direct operations. Only major interest and asset is the equity investment in Star Cement Limited.
Capital before the scheme	Rs. 4,19,213,920/-	Rs. 2,22,172,990/-
No. of shares to be issued	29,54,90,077 Equity Shares of Re.1/-each	Not Applicable
Cancellation of shares on account of cross holding, if any	29,54,75,000 equity shares of Re.1/- each	Not Applicable
Capital after the scheme	41,92,28,997 Equity Shares of Re.1/-each amounting to Rs.41,92,28,997/-	Not Applicable, as the company with get dissolved pursuant to the Scheme
Net Worth	(Rs. in crores)	(Rs. in crores)
Pre	571.99	30.57
Post	573.01	Nil
Valuation by independent Chartered Accountant - Name of the valuer/valuer firm and Regn no.	Entitlement Ratio Report prepared by Price Waterhouse & Co. LLP Firm Registration No. 016844N	



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Methods of valuation and value per share arrived under each method with weight given to each method, if any.	Given that valuation of Transferor Company is driven entirely from the underlying value of its equity holding in Transferee Company, an individual valuation of either Transferee Company (including its subsidiaries) or Transferor Company has not been performed. The Share Exchange Ratio has been derived based on the shareholding pattern of the Transferor Company (holding company) and its ownership interest in Transferee Company as at April 1, 2016.	
Fair value per shares	Not Applicable	Not Applicable
Exchange ratio	In consideration of Amalgamation of the Transferor Company with Transferee Company, Equity Shares of Re.1/- each credited as fully paid-up in Transferee Company are to be issued and allotted to the shareholders of Transferor Company in the Share Entitlement Ratio of 1.33 Equity Share of Re.1/- each credited as fully paid up in Transferee Company for every 1 Equity Share of Re.1/- each fully paid up held by them in Transferor Company.	
Name of Merchant Banker giving fairness opinion	Microsec Capital Limited	
Shareholding pattern	Pre and Post Shareholding pattern is annexed as Annexure V.2	
Promoter		
Public		
Custodian		
TOTAL		
No of shareholders		
Names of the Promoters	1.Sajjan Bhajanka 2.Sanjay Agarwal 3.Rajendra Chamaria 4. Prem Kumar Bhajanka 5. Star Ferro and Cement Limited	1.Sajjan Bhajanka 2.Sanjay Agarwal 3.Hari Prasad Agarwal 4.Prem Kumar Bhajanka
Names of the Board of Directors	1. Mr. Sajjan Bhajanka 2. Mr. Rajendra Chamaria 3. Mr. Sanjay Agarwal 4. Mr. Prem Kumar Bhajanka 5. Mr. Pankaj Kejriwal 6. Mr. Manindra Nath Banerjee 7. Mr. Mangilal Jain 8. Mrs. Clara Suja	1. Mr. Sajjan Bhajanka 2. Mr. Hari Prasad Agarwal 3. Mr. Sanjay Agarwal 4. Mr. Manindra Nath Banerjee 5. Mr. Mangilal Jain 6. Mr. Santanu Ray 7. Mrs. Plistina Dkhar
Details regarding change in management control if any	No change in the management/control.	No change in the management/control.

For Star Ferro and Cement Limited



Company Secretary & Compliance Officer



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Annexure –V.1

1. Background

The Scheme of Amalgamation of Star Ferro and Cement Limited (the Transferor Company) with Star Cement Limited (the Transferee Company) (hereinafter referred to as the Scheme) provides for the Amalgamation of Transferor Company with the Transferee Company as a going concern pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956. The Amalgamation will take effect from appointed date i.e. April 1, 2016.

2. Rationale behind the Scheme of Amalgamation

Rationale behind the proposed Scheme are adequately described in the Scheme which, inter alia, includes:

- i. The Transferor Company holds 29,54,75,000 Equity Shares of the Transferee Company constituting 70.48% of the total Issued, Subscribed and Paid up Share Capital of the Transferee Company, a Company engaged in the business of manufacturing cement with its main cement plant being situated in Village: Lumshnong in the State of Meghalaya and grinding unit at Sonapur in the State of Assam. Accordingly, the Transferor Company is the holding company of the Transferee Company. The Transferor Company was previously also an operating Company engaged in the business of manufacturing ferro alloys from its plant in Byrnihat in the State of Meghalaya. Such ferro alloys business was demerged to a Company by the name of Shyam Century Ferrous Limited with effect from 1st April, 2014. The Transferor Company has since neither undertaken nor has plans to commence any other business. At present the Transferor Company does not have any other significant business interest other than its investment in the cement business through the Transferee Company.
- ii. The value of the interest in the cement business is however not adequately reflected in the value of the Transferor Company since such business is not held directly but through the Transferee Company. Both the Companies are under the same management and have interests in the same business. As such the business of the Transferor Company and the Transferee Company can be combined conveniently and carried on in conjunction more advantageously and therefore no useful purpose is being served in continuing with two separate legal entities. Amalgamation of the two companies is proposed accordingly. While the Transferee Company holds operating facilities and assets which cannot be transferred easily, the Transferor Company does not have any such operating facilities or assets. In view, inter alia, of the aforesaid, operationally it is considered more convenient to amalgamate the Transferor Company with the Transferee Company than vice versa.
- iii. In the circumstances it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- iv. The amalgamation will enable appropriate consolidation of the undertakings of the Transferor Company and the Transferee Company. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies and substantial reduction in costs and expenses which will be facilitated by and follow the amalgamation.



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- v. In consideration of the amalgamation, the Transferee Company will issue and allot to the shareholders of the Transferor Company, Equity Shares credited as fully paid up in the Transferee Company. The existing Equity Shares of the Transferee Company held by the Transferor Company shall stand necessarily cancelled as a consequence of the amalgamation. The aforesaid will enable the shareholders of the Transferor Company to hold shares directly in the operating company, viz the Transferee Company. The same will unlock shareholders value. The Transferee Company will also seek listing of its shares pursuant to the amalgamation.
- vi. The amalgamation will also result in the formation of a larger company having greater capacity to raise and access funds for growth and expansion of its business, marketing and selling its units and conducting trade on more favourable terms. The amalgamation will enable greater realisation of the potential of the cement business in the merged entity.
- vii. The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

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Annexure -V.2

1. Star Cement Limited (Transferee Company)

Shareholding pattern	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	41,91,13,920	99.98	31,39,89,506	74.90
Public	1,00,000	0.02	10,52,39,491	25.10
Custodian	-	-	-	-
TOTAL	41,92,13,920	100.00	41,92,28,997	100.00
No. of shareholders	26		13055	

2. Star Ferro and Cement Limited (SFCL)

Shareholding pattern	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	14,31,20,748	64.42	Not Applicable	
Public	7,90,52,242	35.58		
Custodian	-	-		
TOTAL	22,21,72,990	100.00		
No of shareholders	13029			

For Star Ferro and Cement Limited



Company Secretary & Compliance Officer

