

Star Ferro and Cement Limited

Regd. Office : Vill : Lumshnong, P.O. : Khaliehriat, Meghalaya - 793210, Phone : 03655-278215/16/18, Fax : 03655-278217
E-mail : info@starferrocement.com, Website : www.starferrocement.com, CIN : L27310ML2011PLC008564

Date: 1st August, 2016

To
The Listing Department
National Stock Exchange of India Limited
"Exchange Plaza"
BandraKurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code: SFCL (NSE)

The Listing Department
BSE Limited
PhirozeJeejeebhoy Tower
Dalal Street
Mumbai – 400001
Scrip Code: 536666 (BSE)

Dear Sir(s),

Sub: Outcome of Board Meeting held on August 01, 2016

Further to our letter dated 23rd July, 2016, this is to inform you that at the duly convened meeting of the Board of Directors held on today 1st August, 2016, following decisions were taken:

- (a) the Audit Committee has been reconstituted with the following members :
- | | | | |
|-------|---------------------------|---|----------------------------------|
| (i) | Mr. Mangilal Jain | - | Chairman, Independent Director |
| (ii) | Mr. ManindraNath Banerjee | - | Member, Independent Director |
| (iii) | Mr. Santanu Ray | - | Member, Independent Director |
| (iv) | Mr. SajjanBhajanka | - | Member, Non-Independent Director |
- (b) the Board approved a Scheme of Amalgamation of Star Ferro and Cement Limited(Transferor Company) with Star Cement Limited (Formerly Cement Manufacturing Company Limited) (Transferee Company) with effect from April 01, 2016 (Appointed date).
- The details of the amalgamation as required under Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 is enclosed herewith as Annexure A.
- (c) as per recommendation made by the Audit Committee, the Board of Directors of the Company inter alia, has taken on record and approved the Unaudited financial results of the Company for the First quarter ended 30th June, 2016. The Meeting of the Board of Directors of the Company commenced at 12:30 p.m. and concluded at 05.00 p.m.



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A copy of the unaudited financial results of the Company (both Standalone and Consolidated) for the first quarter ended 30th June, 2016 alongwith Limited Review Reports as submitted by the Company's Statutory Auditors are enclosed for your information and record.

Thanking you,

Yours faithfully,

For Star Ferro and Cement Limited



D. Thakurta
Company Secretary

Encl. as stated



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Annexure A

The required details in respect of the proposed Scheme of Amalgamation of Star Ferro and Cement Limited with Star Cement Limited (Formerly Cement Manufacturing Company Limited) as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

A	Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as size, turnover etc.,	<p>1. Star Ferro and Cement Limited - The Company has a total revenue of Rs.23.75crore in FY-15-16 including dividend income from its subsidiary. The 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.</p> <p>2. Star Cement Limited (Formerly Cement Manufacturing Company Limited) - The Company is a mid-sized entity engaged in the business of manufacturing cement with its main cement plant being situated at Village: Lumshnong in the State of Meghalaya and Grinding unit at Sonapur in the State of Assam. The Company is having total consolidated revenue of Rs.1716.33 crores in FY -15- 16.</p>
B	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	MCA vide its Circular No. 30/2014 dated July 17, 2014 has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, would not attract the requirements of section 188 of the Companies Act, 2013. Accordingly, the transaction does not fall under Related Party transactions.
C	Area of business of the entity (ies)	<p>Star Ferro and Cement Limited being the holding company, does not have any other significant business interest other than its investment in equity shares of Star Cement Limited, the Transferee Company.</p> <p>Star Cement Limited is engaged in the business of manufacturing cement with its main cement plant being situated at Village: Lumshnong in the State of Meghalaya and Grinding Unit at Sonapur in the State of Assam.</p>
D	Rationale for amalgamation / merger	The Transferor Company does not have any other significant business interest other than its investment in the equity shares of the Transferee Company. The value of the interest in the cement business is however not fully adequately reflected in the value of the Transferor Company since such business is not held directly but through the Transferee Company. 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 licenses 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.
E	In case of cash consideration - amount or otherwise share exchange ratio;	The Transferee Company will issue and allot to the members of the Transferor Company equity shares of Re. 1/- each in the Transferee Company, credited as fully paid up, in the ratio of 1.33 equity shares of Face Value of Re. 1/- each in the transferee Company for every 1 (one) equity share of the Face value of Re. 1/- each held by the said members in the Transferor Company.



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F	Brief details of change in shareholding pattern (if any) of listed entity	The listed entity (Transferor Company) shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act and the shareholders of the Transferor Company shall become the shareholders of the Transferee Company. The shareholding pattern would change accordingly as summarized below:			
		Category	Pre-Amalgamation Shareholding pattern of Transferor Company	Pre-Amalgamation Shareholding pattern of Transferee Company	Post-Amalgamation Shareholding pattern of Transferee Company
		Promoters	64.42%	99.98%	74.90%
		Public	35.58%	0.02%	25.10%
Total		100.00%	100.00%	100.00%	

