

STAR FERRO AND CEMENT LIMITED

Corporate Identification Number (CIN) - L27310ML2011PLC008564

Registered Office :Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya - 793 210

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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

AND

POSTAL BALLOT / E-VOTING

Day	:	Monday
Date	:	5th December, 2016
Time	:	11:00 A.M.
Venue	:	Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya - 793 210 (Route Map given on page No. 40)

INDEX

Sl. No.	Contents	Page No.
A.	COURT CONVENED MEETING	
1	Notice of Court Convened Meeting of Equity Shareholders of Star Ferro and Cement Limited ('Transferor Company')	1 - 2
2	Statement under Section 393 of the Companies Act, 1956	3 - 19
3	Scheme of Amalgamation of Star Ferro and Cement Limited with Star Cement Limited under Sections 391 and 394 of the Companies Act, 1956	20 - 30
4	Observation letters of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated 28th September, 2016	31 - 34
5	Complaints Report dated 29th August, 2016 submitted to the NSE	35
6	Complaints Report dated 10th September, 2016 submitted to BSE	36
7	Form of Proxy	37
8	Attendance slip	39
9	Route map to the venue of the meeting	40
B.	POSTAL BALLOT / E-VOTING	
1.	Notice of Postal Ballot / E-Voting	41
2.	Postal Ballot Form with instructions - Loose leaf insertion	

In the Hon'ble High Court of Meghalaya at Shillong
Company Original Jurisdiction
Company Application No.1 of 2016

In the Matter of :

The Companies Act, 1956.

And

In the Matter of :

An application under Sections 391(1) and 393 of the said Act.

And

In the Matter of :

Star Ferro and Cement Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210 within the aforesaid jurisdiction.

And

Star Cement Limited (formerly Cement Manufacturing Company Limited), a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210 within the aforesaid jurisdiction.

1. Star Ferro and Cement Limited
2. Star Cement Limited

..... Applicants.

NOTICE CONVENING MEETING

To :

**The Equity Shareholders
of Star Ferro and Cement Limited**

TAKE NOTICE that by an order made on the 25th day of October, 2016, the Hon'ble High Court of Meghalaya at Shillong has directed that a meeting of the Equity Shareholders of Star Ferro and Cement Limited, being the Applicant Company No.1 abovenamed (hereinafter referred to as "the Transferor Company") be held at the registered office of the Transferor Company at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210 on Monday, the 5th day of December, 2016 at 11:00 A.M. for the purpose of considering and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of the Transferor Company with Star Cement Limited.

TAKE FURTHER NOTICE that in pursuance of the said order a meeting of Equity Shareholders of the Transferor Company will be held at the registered office of the Transferor Company at Village: Lumshnong,

Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210 on Monday, the 5th day of December, 2016 at 11:00 A.M. when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Transferor Company, as aforesaid, not later than 48 hours before the meeting. In case of an Equity Shareholder of the Transferor Company which is a Body Corporate desirous of attending and voting at the meeting through its representative who is authorised in this regard by such Equity Shareholder in terms of Section 113 of the Companies Act, 2013, such Equity Shareholder may do so provided that a certified copy of the resolution of its Board of Directors or other governing body authorising such representative to attend and vote at the meeting on its behalf is deposited at the registered office of the Transferor Company not later than 48 (forty eight) hours before the time for holding the meeting.

The Court has appointed Mr. Purushottam Shome, Advocate and failing him Ms. Ajungla Thungwa, Advocate, to be the Chairperson of the said meeting of the Equity Shareholders of the Transferor Company.

A copy each of the said Scheme of Amalgamation; the Statement under Section 393 of the Companies Act, 1956; observation letters of stock exchanges; complaints' reports; and a form of Proxy are enclosed herewith.

Dated this 3rd day of November, 2016.

Sd/- Purushottam Shome
CHAIRPERSON APPOINTED FOR THE MEETING

[NOTE : All alterations made in the form of proxy should be initialled.]

Drawn by :
Sd/- Mahadev Prasad
Advocate for Applicants
Shillong High Court Bar Association, Shillong 793 001.

Settled by :
Sd/- Albert W Lanong, MJS, 3/11/2016
Joint Registrar-cum-O.S.D in Hon'ble the Chief Justice's Secretariat
For Registrar General,
The High Court of Meghalaya, Shillong.

In the Hon'ble High Court of Meghalaya at Shillong

Company Original Jurisdiction

Company Application No.1 of 2016

In the Matter of :

The Companies Act, 1956.

And

In the Matter of :

An application under Sections 391(1) and 393 of the said Act.

And

In the Matter of :

Star Ferro and Cement Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210 within the aforesaid jurisdiction.

And

Star Cement Limited (formerly Cement Manufacturing Company Limited), a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210 within the aforesaid jurisdiction.

1. Star Ferro and Cement Limited
2. Star Cement Limited

..... Applicants.

STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. The accompanying notice has been sent for convening a meeting of the Equity Shareholders of Star Ferro and Cement Limited, being the Applicant Company No.1 abovenamed (hereinafter referred to as "the Transferor Company") for the purpose of considering and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of the Transferor Company with Star Cement Limited, being the Applicant Company No.2 abovenamed (hereinafter referred to as "the Transferee Company") whereby and whereunder the entire undertaking of the Transferor Company together with all property, rights and powers and all debts, liabilities, duties and obligations relating thereto is proposed to be transferred to the Transferee Company on the terms and conditions fully stated in the said Scheme of Amalgamation. The salient features of the Scheme of Amalgamation are given in paragraph 4 of this Statement. The detailed terms of the amalgamation will appear from the enclosed draft of the Scheme.

2. The circumstances and/or reasons and/or grounds that have necessitated and/or justify the said Scheme of Amalgamation are, inter alia, as follows :-
- (a) 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. 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.
 - (b) The value of the interest in the cement business is however not adequately reflected in 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.
 - (c) 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 the said Scheme of Amalgamation.
 - (d) 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.
 - (e) 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.

- (f) 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.
- (g) The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

3. INCORPORATION, BUSINESS, SHARE CAPITAL AND FINANCIAL POSITION OF THE APPLICANT COMPANIES:-

A. THE TRANSFEROR COMPANY:

- (a) The Transferor Company was incorporated on the 10th day of March, 2011 as a Company limited by shares under the provisions of the Companies Act, 1956. The Transferor Company is a company within the meaning of the Companies Act, 2013. The Transferor Company was previously 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 one Shyam Century Ferrous Limited with effect from 1st April, 2014. 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. The Transferee Company is an operating Company carrying on its cement business directly as also through its subsidiaries as stated in paragraph 3(B)(a) below.
- (b) The Authorised Share Capital of the Transferor Company is Rs.23,00,00,000/- divided into 23,00,00,000 Equity Shares of Re.1/- each. The Issued Share Capital of the Transferor Company is Rs.22,21,72,990/- divided into 22,21,72,990 Equity Shares of Re.1/- each. The Subscribed and Paid Up Share Capital of the Transferor Company is Rs.22,21,72,990/- divided into 22,21,72,990 Equity Shares of Re.1/- each fully paid up.
- (c) The standalone annual financial statements of the Transferor Company and consolidated financial statements of the Transferor Company and its subsidiaries have been audited as at March 31, 2016. The Transferor Company had neither issued nor agreed to issue any debentures as on the said date. The following summary extracted from the said accounts indicates the financial position of the Transferor Company as on the said date as follows:-

		Amount in Rs. Lakhs	
		Standalone	Consolidated
A.	Equity and Liabilities		
1	Paid up Share Capital	2,221.73	2,221.73

2	Reserves	834.89	72,755.72
3	Minority Interest	0.00	35,962.33
4	Non Current Liabilities	10.50	49,154.20
5	Current Liabilities	8.31	86,571.48
	Total (A)	3,075.43	2,46,665.46
B.	Assets		
1	Non Current Assets	2,999.31	1,40,615.44
2	Current Assets	76.12	1,06,050.02
	Total (B)	3,075.43	2,46,665.46
C.	Excess of Assets over Liabilities	3,056.62	74,977.45

(d) The Transferor Company, being a listed Company, has also published its standalone and consolidated financial results for the quarter ended on 30th June, 2016 in accordance with the listing agreements with the Stock Exchanges. As will be evident from the said financial results, the Transferor Company and its subsidiaries had made a consolidated net profit of Rs.2,360.09 Lakhs for the quarter ended 30th June, 2016 as compared to a consolidated net profit of Rs.4,152.81 Lakhs for the corresponding earlier quarter ended 30th June, 2015. The same is due to higher raw material costs and lower selling prices in the market in the said period. There has been no substantial change in the financial position of the Transferor Company subsequent to 31st March, 2016, excepting those arising or resulting from the usual course of business. Such financial results and the aforesaid financial statement of the Transferor Company are available for inspection in terms of paragraph 12 herein below.

B. TRANSFeree COMPANY:

(a) The Transferee Company was incorporated on the 2nd day of November, 2001 as a Company limited by shares under the provisions of the Companies Act, 1956 by the name and style of "Cements Manufacturing Company Limited". The name of the Company was changed to "Cement Manufacturing Company Limited" with effect from 10th November, 2004. With effect from the 21st day of June, 2016, the name of the Transferee Company was changed to its present one i.e. "Star Cement Limited". The Transferee Company is a company within the meaning of the Companies Act, 2013. The Transferee Company is engaged in the business of manufacturing cement. Its main cement plant is situated in Village Lumshnong in the State of Meghalaya and Grinding Unit at Sonapur in the State of Assam. The Transferee Company also has three other operating subsidiaries, namely Megha Technical & Engineers Private Limited ("MTEPL"), Star Cement Meghalaya Limited ("SCML") and Meghalaya Power Limited ("MPL"). While MTEPL manufactures cement, SCML manufactures clinker and MPL

operates a thermal power plant. The respective manufacturing units and power plant of the said subsidiaries are all situated at Village Lumshnong in the State of Meghalaya next to the cement plant of the Transferee Company thereat. The consolidated manufacturing capacity of the Transferee Company and its subsidiaries is 3.3 million tonnes per annum (“MTPA”) of cement approximately and 2.5 MTPA of clinker approximately.

- (b) The Authorised Share Capital of the Transferee Company is Rs.60,00,00,000/- divided into 60,00,00,000 Equity Shares of Re.1/- each. The Issued, Subscribed and Paid-up Share capital of the Transferee Company is Rs.41,92,13,920/- divided into 41,92,13,920 Equity Shares of Re.1/- each fully paid up. 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 are held by the Transferor Company. Accordingly, the Transferee Company is a subsidiary of the Transferor Company.
- (c) The standalone annual financial statements of the Transferee Company and consolidated financial statements of the Transferee Company and its subsidiaries have been audited as at March 31, 2016. The Transferee Company had neither issued nor agreed to issue any debentures as on the said date. The following summary extracted from the said stand alone and consolidated accounts indicates the financial position of the Transferee Company as on the said date as follows:-

		Amount in Rs. Lakhs	
		Standalone	Consolidated
A.	Equity and Liabilities		
	Paid up Share Capital	4,192.14	4,192.14
	Reserves	53,006.56	1,01,342.06
	Minority Interest	0.00	5,303.70
	Non Current Liabilities	36,361.45	49,188.27
	Current Liabilities	55,905.65	86,563.17
	Total (A)	1,49,465.80	2,46,589.34
B.	Assets		
	Non Current Assets	72,903.85	1,40,614.60
	Current Assets	76,561.95	1,05,974.74
	Total (B)	1,49,465.80	2,46,589.34
C.	Excess of Assets over Liabilities	57,198.70	1,05,534.20

- (d) The consolidated net profit of the Transferee Company and its subsidiaries is lower in the quarter ended 30th June, 2016 as compared to their consolidated net profit in the corresponding earlier quarter ended 30th June, 2015 due to higher raw material costs and lower selling

prices in the market in the said period. The same is also reflected in the consolidated financial results of the Transferor Company referred to above. There has been no substantial change in the financial position of the Transferor Company subsequent to 31st March, 2016, excepting those arising or resulting from the usual course of business. Such financial statement of the Transferee Company are available for inspection in terms of paragraph 12 herein below.

4. SALIENT FEATURES OF THE SCHEME :-

The salient features of the Scheme of Amalgamation are summarised for your convenience as follows:-

(a) *The Scheme shall be operative from the Appointed Date, i.e. the 1st day of April, 2016.*

(b) "The Act" is defined in the Scheme as follows:-

"Act" means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956, unless stated otherwise. Upon such provisions of the Companies Act, 1956 standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted."

(c) *The Scheme is conditional upon and subject to approval of the Scheme by the requisite majority of the members of the Transferor Company and the Transferee Company in accordance with law, including approval of public shareholders of the Transferor Company in terms of paragraphs I(A)9(a) and I(A)9(b) of Annexure I of SEBI Circular dated 30th November, 2015 and sanction of the Scheme by the Hon'ble High Court of Meghalaya at Shillong pursuant to Section 391 of the Act.*

Accordingly, the Scheme although operative from the Appointed Date, shall become effective on the Effective Date being the date or last of the dates on which certified copies of the order sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies.

(d) *On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under any other provisions of the Act, 1956 and the Companies Act, 2013, including Section 100 of the Companies Act, 1956 and Section 62(1)(c) of the Companies Act, 2013, to the extent the same may be considered applicable.*

(e) *With effect from the Appointed Date, the entire Undertaking of the Transferor Company, including all properties, assets, rights and powers and all debts, liabilities, duties and obligations of the Transferor Company shall be transferred to the Transferee Company in the manner and subject to the modalities for transfer and vesting detailed in the Scheme.*

- (f) *The transfer of the Undertaking of the Transferor Company, as aforesaid, shall be subject to the existing charges, if any, over or in respect of any of the assets or any part thereof.*
- (g) *All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date. Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company. It is expressly provided that the Provident Funds, Gratuity Funds, Superannuation Fund or any other Fund or Funds created or existing for the benefit of the employees, as applicable, of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.*
- (h) *All proceedings, if any, pending by or against the Transferor Company, all contracts, obligations, actions, rights and claims by or against the Transferor Company will be transferred to the Transferee Company and will be enforceable by or against the Transferee Company.*
- (i) *Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation, issue and allot to the members of the Transferor Company holding fully paid-up Equity Shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on such date ("the Record Date"), as the Board of Directors of the Transferee Company shall determine, Equity Shares of the face value 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.*
- (j) *It is expressly clarified and provided that the consequent entitlement of every member of the Transferor Company to credit in the Equity Share Capital of the Transferee Company to the extent of Re.1.33 for every 1 Equity Share of Re.1. each of the Transferor Company shall be aggregated in respect of all Equity Shares held by such member in the Transferor Company. Every such member shall accordingly be issued and allotted such number of whole Equity Shares of Re.1 each in the Transferee Company (hereinafter referred to as "New Equity Shares") into which their aggregate entitlement to credit as aforesaid can be divided with the remaining fractional entitlement, if any, which does not constitute a whole New Equity Share, being consolidated, sold, distributed and dealt with in the manner following:-*

No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the New Equity Shares in the Transferee Company as above. The Board

of Directors of the Transferee Company or a committee thereof shall consolidate all such fractional entitlements, and issue and allot the New Equity Shares in lieu thereof to a Director and / or Officer(s) of the Transferee Company on the express understanding that such Director and / or Officer(s) to whom such New Equity Shares are allotted shall sell the same in the market and pay to the Transferee Company the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the members of the Transferee Company in proportion to their fractional entitlements.

- (k) The New Equity Shares of the Transferee Company to be issued and allotted in lieu of the Equity Shares of the Transferor Company shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company. Further such new Equity Shares shall pursuant to circular issued by the Securities Exchange Board of India ("SEBI") on 30th November, 2015 bearing No. CIR/CFD/CMD/16/2015 and subject to compliance with requisite formalities, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Shares of the Transferor Company are listed and/or admitted to trading.*
- (l) In respect of the shareholding of the members of the Transferor Company held in dematerialised form, the New Equity Shares in the Transferee Company shall, subject to applicable regulations, also be issued to them in the dematerialised form with such shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date. In respect of the shareholding of the members in the Transferor Company held in the certificate form, the New Equity Shares in the Transferee Company shall be issued to such members in certificate form. Members of the Transferor Company desirous of receiving the New Equity Shares in the Transferee Company in dematerialised form should have their shareholding in the Transferor Company dematerialised on or before the Record Date.*
- (m) All existing shares held by the Transferor Company in the Transferee Company, i.e. 29,54,75,000 Equity Shares of Re.1/- each shall stand cancelled, without any further act or deed.*
- (n) The Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.*
- (o) The amalgamation shall be accounted for in the books of account of the Transferee Company according to the pooling of interests method under Accounting Standard (AS) 14, 'Accounting for Amalgamations' ("AS14") annexed to the Companies (Accounting Standards) Rules, 2006. Accordingly on and from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required and except to the extent required otherwise by law, all assets and liabilities of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of accounts of the Transferee Company at the book value as recorded in the Transferor Company's books of accounts. Further, all reserves of the*

Transferor Company shall be incorporated in the books of account of the Transferee Company in the same form in which they appear in the books of account of the Transferor Company.

- (p) *The difference, if any, between the amount recorded as additional share capital issued by the Transferee Company on amalgamation and the amount of share capital of the Transferor Company in lieu whereof such additional share capital is issued shall, subject to the other provisions contained herein, be adjusted against and reflected in General Reserves in accordance with AS14. The difference between the carrying amount in the books of the Transferor Company of its investment in the Equity Share Capital of the Transferee Company which shall stand cancelled consequent to the Scheme and the aggregate face value of such Equity Share Capital shall, subject to the other provisions contained herein, be also adjusted against and reflected in General Reserves, in accordance with AS14.*
- (q) *The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:*
- i. *To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble High Court of Meghalaya at Shillong and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.*
 - ii. *To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of the Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.*

Without prejudice to the generality of the foregoing the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from the Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

- (r) *With effect from the Appointed Date and up to the Effective Date:*
- i. *The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company.*
 - ii. *The Transferor Company shall carry on its businesses and activities with due diligence and business prudence and shall not charge, mortgage, encumber or otherwise deal with their assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the*

ordinary course of their business, without the prior written consent of the Transferee Company.

iii. All profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company including accumulated losses shall for all purposes be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

5. The Board of Directors of the Transferor Company and the Transferee Company, including their Audit Committees, have at their respective meetings by resolutions passed unanimously, approved the said Scheme of Amalgamation.
6. The aggregate assets of the Transferor Company and the Transferee Company are more than sufficient to meet all their liabilities and the said Scheme will not adversely affect the rights of any of the creditors of any of the applicant Companies in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in usual course.
7. There are no proceedings pending under Sections 235 to 251 of the Companies Act, 1956 or Sections 210 to 227 of the Companies Act, 2013 against the Transferor Company or the Transferee Company.
8. Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal, Mr. Manindra Nath Banerjee and Mr. Mangilal Jain are the common Directors of the Transferor Company and the Transferee Company. The shareholdings of the Directors and Key managerial personnel (“KMP”) of the Transferor Company and the Transferee Company and their relatives are as follows:-

Names of Directors	Equity Shares in the Transferor Company	Equity Shares in the Transferee Company
Directors of the Transferor Company:		
Mr. Sajjan Bhajanka	1,48,90,675	3,77,16,950
Mr. Hari Prasad Agarwal	39,66,750	Nil
Mr. Sanjay Agarwal	1,68,07,445	20,91,920
Mr. Manindra Nath Banerjee	Nil	Nil
Mr. Santanu Ray	Nil	Nil
Mr. Mangilal Jain	3,500	Nil
Mrs. Plistina Dkhar	750	Nil
KMPs of Transferor Company		
Mr. Sanjay Kumar Gupta (Chief Executive Officer)	36,000	Nil
Mr. Dilip Kumar Agarwal (Chief Financial Officer)	4,150	Nil
Mr. Debabrata Thakurta (Company Secretary)	Nil	Nil
Relatives of Directors and KMPs of the Transferor Company		
Relatives of Mr. Sajjan Bhajanka	1,80,14,255	Nil
Relatives of Mr. Hari Prasad Agarwal	41,93,165	Nil

Names of Directors	Equity Shares in the Transferor Company	Equity Shares in the Transferee Company
Relatives of Mr. Sanjay Agarwal	1,44,88,750	Nil
Relatives of Mr. Mangilal Jain	700	Nil
Relatives of Mr. Dilip Kr. Agarwal	1,500	Nil
Directors of the Transferee Company:		
Mr. Sajjan Bhajanka	1,48,90,675	3,77,16,950
Mr. Sanjay Agarwal	1,68,07,445	20,91,920
Mr. Prem Kumar Bhajanka	2,79,44,845	41,98,410
Mr. Rajendra Chamaria	Nil	2,75,65,140
Mr. Pankaj Kejriwal	3,000	Nil
Mr. Manindra Nath Banerjee	Nil	Nil
Mr. Mangilal Jain	3,500	Nil
Mrs. Clara Suja	Nil	1,00,000
KMPs of Transferee Company		
Mr. Sanjay Kumar Gupta (Chief Executive Officer)	36,000	Nil
Mr. Dilip Kumar Agarwal (Chief Financial Officer)	4,150	Nil
Mr. Manoj Agarwal (Company Secretary)	5,291	Nil
Relatives of Directors and KMPs of the Transferee Company		
Relatives of Mr. Rajendra Chamaria	Nil	3,63,51,750
Relatives of Mr. Sajjan Bhajanka	1,80,14,255	Nil
Relatives of Mr. Sanjay Agarwal	1,44,88,750	Nil
Relatives of Mr. Mangilal Jain	700	Nil
Relatives of Mr. Dilip Kr. Agarwal	1,500	Nil
Relatives of Mr. Prem Kr. Bhajanka	34,85,783	Nil

Save as aforesaid none of the Directors and Key Managerial Personnel of the Transferor Company and the Transferee Company or their relatives, have any material interest in the said Scheme of Amalgamation.

9. The exchange ratio of the shares of the Transferee Company for shares of the Transferor Company has been fixed on a fair and reasonable basis and on the basis of the Report of Price Waterhouse & Co LLP, Chartered Accountants. Further, Microsec Capital Limited, independent Merchant Bankers have by their Fairness Opinion dated 1 August 2016 also confirmed and concluded that such ratio is fair and reasonable as under:-

“7. ENTITLEMENT RATIO

Based on the aforesaid, the Financial Advisor has arrived at the Entitlement Ratio of 1.33 : 1.00 i.e. the shareholders of Star Ferro and Cement Limited will receive 1.33 equity shares of Rs.1/- each of Star

Cement Limited credited as fully paid up for every 1 equity share of Re.1/- each fully paid up held by them in Star Ferro and Cement Limited.

8. OPINION ON ENTITLEMENT RATIO.

Based on the information, material and data made available to us, including the Report of the Financial Advisor and the working thereto, in our opinion the Entitlement Ratio recommended by the Financial Advisor is fair and proper.”

Copy of the aforesaid Report issued by Price Waterhouse & Co LLP, Chartered Accountants and Fairness Opinion issued by Microsec Capital Limited, Merchant Bankers are available for inspection as specified in paragraph 12 herein below.

10. The Transferee Company is an unlisted Company while the Transferor Company is a Listed Company. The shares of the Transferor Company are listed in BSE Limited (“BSE”) and The National Stock Exchange of India Limited (“NSE”). The Transferor Company duly filed the Scheme with the Stock Exchanges for their approval pursuant to the listing agreements entered into by it with the Stock Exchanges. Apart from the same, the Transferor Company also submitted the Report of its Audit Committee on the Scheme; and various other documents to the stock exchanges and also displayed the same on its website in terms of the said SEBI Circular dated 30th November, 2015 and addressed all queries on the said documents. The complaints reports required to be filed in terms of the said circular were also duly filed by the Transferor Company. BSE and NSE by their letters dated 28th September, 2016 have since confirmed that they have ‘no adverse observation’ on the Scheme pursuant to the said SEBI circular. Copies of the observation letters dated 28th September, 2016 issued by them in this regard to the Transferor Company and copies of the said complaints reports filed by the Transferor Company with the said Stock Exchanges are enclosed herewith. The clarification required to be incorporated by the Stock Exchanges in the text of the Scheme has been duly incorporated in clause 16.1 of the Scheme. Further, the Transferor Company has duly complied with and discharged its obligations till date under the Circulars and will further comply with the same and discharge its further obligations hereafter as and when required under the Circulars, from time to time.
11. The pre-Amalgamation capital structure and shareholding pattern of the Transferor Company and pre/post-Amalgamation capital structure and shareholding pattern of the Transferee Company are given below.

A. Pre-Amalgamation shareholding pattern of the Transferor Company:

	Category of Shareholders	Number of Shareholders	Total Number of Equity shares of Re. 1/- each	Total shareholding as a percentage of total number of shares
(A)	Shareholding of Promoter & Promoter group			
(1)	Indian			
(a)	Individuals/Hindu undivided Family	16	103791668	46.72

	Category of Shareholders	Number of Shareholders	Total Number of Equity shares of Re. 1/- each	Total shareholding as a percentage of total number of shares
(b)	Central Government/State Government(s)	-	-	-
(c)	Financial Institutions/Banks	-	-	-
(d)	Any Other (specify):			
	Bodies Corporate	6	39329080	17.70
	Sub-Total (A)(1)	22	143120748	64.42
(2)	Foreign			
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-
(b)	Government	-	-	-
(c)	Institutions	-	-	-
(d)	Foreign Portfolio Investor	-	-	-
(e)	Any Other (specify)	-	-	-
	Sub-Total (A)(2)	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	22	143120748	64.42
(B)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds	5	3893410	1.75
(b)	Venture Capital Funds	-	-	-
(c)	Alternate Investment Funds	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-
(e)	Foreign Portfolio Investors	6	262397	0.12
(f)	Financial Institutions / Banks	2	25928	0.01
(g)	Insurance Companies	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-
(i)	Any Other (specify) :			
	Foreign Institutional Investors	1	2810	0.00
	Sub Total (B)(1)	14	4184545	1.88
(2)	Central Government / State Government(s) / President of India	-	-	-
	Sub Total (B)(2)	-	-	-
(3)	Non-Institutions			

	Category of Shareholders	Number of Shareholders	Total Number of Equity shares of Re. 1/- each	Total shareholding as a percentage of total number of shares
(a)	Individuals – i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	12277	9367295	4.22
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	20	46973986	21.14
(b)	NBFCs registered with RBI	1	5000	0.00
(c)	Employee Trusts	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-
(e)	Any Other (specify) :			
	Bodies Corporate	373	17482699	7.87
	Clearing Member	138	533396	0.24
	Non Resident Individual	453	391821	0.18
	Trusts	11	113500	0.05
	Sub Total (B)(3)	13273	74867697	33.70
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	13287	79052242	35.58
(C)	Shareholding of Non Promoter - Non Public shareholder			
(1)	Custodian / DR Holder	-	-	-
(a)	Name of DR Holder (if available)	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-
	TOTAL (A) + (B) + (C)	13309	222172990	100.00

B. Pre and Post Amalgamation shareholding pattern of the Transferee Company:

	Category of Shareholders	Pre-Amalgamation			Post-Amalgamation (expected)		
		Number of Shareholders	Total Number of Equity shares of Re.1/- each	Total shareholding as a percentage of total number of shares	Number of Shareholders	Total Number of Equity shares of Re.1/- each	Total shareholding as a percentage of total number of shares
(A)	Shareholding of Promoter & Promoter group						
(1)	Indian						
(a)	Individuals/Hindu undivided Family	24	123638920	29.50	37	261681831	62.42
(b)	Central Government / State Government(s)	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-
(d)	Any Other (specify):						

	Category of Shareholders	Pre-Amalgamation			Post-Amalgamation (expected)		
		Number of Shareholders	Total Number of Equity shares of Re.1/- each	Total shareholding as a percentage of total number of shares	Number of Shareholders	Total Number of Equity shares of Re.1/- each	Total shareholding as a percentage of total number of shares
	Bodies Corporate	1	295475000	70.48	6	52307675	12.48
	Sub-Total (A)(1)	25	419113920	99.98	43	313989506	74.90
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	25	419113920	99.98	43	313989506	74.90
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds	-	-	-	5	5178235	1.24
(b)	Venture Capital Funds	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	6	348985	0.08
(f)	Financial Institutions / Banks	-	-	-	2	34483	0.01
(g)	Insurance Companies	-	-	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-
(i)	Any Other (specify) :						
	Foreign Institutional Investors	-	-	-	1	3737	0.00
	Sub Total (B)(1)	-	-	-	14	5565440	1.33
(2)	Central Government / State Government(s) / President of India	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-
(3)	Non-Institutions						

	Category of Shareholders	Pre-Amalgamation			Post-Amalgamation (expected)		
		Number of Shareholders	Total Number of Equity shares of Re.1/- each	Total shareholding as a percentage of total number of shares	Number of Shareholders	Total Number of Equity shares of Re.1/- each	Total shareholding as a percentage of total number of shares
(a)	Individuals –						
	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	1	100000	0.02	12276	12081355	2.88
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	-	-	-	22	62948873	15.02
(b)	NBFCs registered with RBI	-	-	-	1	6650	0.00
(c)	Employee Trusts	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-
(e)	Any Other (specify) :						
	Bodies Corporate	-	-	-	373	23251907	5.54
	Clearing Member	-	-	-	138	709377	0.17
	Non Resident Individual	-	-	-	453	520999	0.12
	Trusts	-	-	-	12	154890	0.04
	Sub Total (B)(3)	1	100000	0.02	13275	99674051	23.77
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	1	100000	0.02	13289	105239491	25.10
(C)	Shareholding of Non Promoter - Non Public shareholder						
(1)	Custodian / DR Holder	-	-	-	-	-	-
(a)	Name of DR Holder (if available)	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-
	TOTAL (A) + (B) + (C)	26	419213920	100.00	13332	419228997	100.00

C. Capital Structure of the Transferor Company and the Transferee Company:

The pre-Amalgamation capital structure of the Transferor Company and the Transferee Company is given in clause 2 of the Scheme. Consequent to the Scheme becoming effective the Authorised Share Capital of the Transferee Company will increase to Rs.83,00,00,000/- divided into 83,00,00,000 Equity Shares of Re.1/- in terms of Clause 11 of the Scheme. Further, the existing 29,54,75,000 Equity Shares of Re.1/- each of the Transferee Company held by the Transferor Company will stand cancelled and the Transferee Company will issue new 29,54,90,077 Equity Shares of Re.1/- each in Transferee Company credited as fully paid up to the members of the Transferor Company in terms of the Scheme.

Accordingly, the Issued, Subscribed and Paid up Share Capital of the Transferee Company consequent to the Scheme will be Rs.41,92,28,997/- divided into 41,92,28,997 Equity shares of Re.1/- each fully paid up as above.

12. Copies of the following documents are open for inspection at the registered office of the Applicant Companies between 11.00 A.M. and 1.00 P.M. on any working day:-
- (a) Memoranda and Articles of Association of the Applicant Companies;
 - (b) Financial statements and financial results of the Applicant Companies as referred to in paragraphs 3.A.(c) and 3.B.(c) above;
 - (c) Register of Directors' Shareholdings of the Applicant Companies;
 - (d) Report of Messrs Price Waterhouse & Co LLP, Chartered Accountants and Fairness Opinion thereon of Microsec Capital Limited, Merchant Bankers; and
 - (e) Other documents submitted by the Transferor Company to the Stock Exchanges and also displayed on the Company's website in terms of the SEBI Circular dated 30th November, 2015, including Report of the Audit Committee; and
 - (f) Order dated 25th October, 2016 of the Hon'ble High Court of Meghalaya at Shillong convening the meeting(s).

Dated this 2nd day of November, 2016.

Drafted by:

Sd/- Mahadev Prasad
Advocate for Applicants
Shillong High Court Bar Association, Shillong 793 001.

Settled by :

Sd/- Albert W Lanong, MJS, 3/11/2016
Joint Registrar-cum-O.S.D in Hon'ble the Chief Justice's Secretariat
For Registrar General,
The High Court of Meghalaya, Shillong

Scheme of Amalgamation

(PURSUANT TO SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956)

of

Star Ferro and Cement Limited

with

Star Cement Limited

PART - I

(Preliminary)

1. DEFINITIONS:

In this Scheme, unless inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- i. **“Act”** means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956, unless stated otherwise. Upon such provisions of the Companies Act, 1956 standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted.
- ii. **“Appointed Date”** means the 1st day of April, 2016.
- iii. **“Transferor Company”** means Star Ferro and Cement Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Village : Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210.
- iv. **“Transferee Company”** means Star Cement Limited (formerly Cement Manufacturing Company Limited), a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District : East Jaintia Hills, Meghalaya 793 210.
- v. **“Scheme”** means this Scheme of Amalgamation of the Transferor Company with the Transferee Company in its present form or with such modifications as sanctioned by the Hon’ble High Court of Meghalaya at Shillong.
- vi. **“Effective Date”** means the date or last of the dates on which certified copies of the order sanctioning this Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies.

vii. **“Undertaking of the Transferor Company”** means and includes:

- (i) All the properties, assets, rights and powers of the Transferor Company; and
- (ii) All the debts, liabilities, duties and obligations of the Transferor Company.

Without prejudice to the generality of the foregoing clause the said Undertaking shall include all rights, powers, interests, authorities, privileges, liberties and all properties and assets, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including all lands, buildings, plant and machinery, office equipments, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, loans and advances, leases and all other interests and rights in or arising out of such property together with all liberties, easements, advantages, exemptions, approvals, licenses, trade-marks, patents, copyrights, import entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by the Transferor Company or which the Transferor Company is entitled to together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the Transferor Company.

viii. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

2. **SHARE CAPITAL:**

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company and the Transferee Company as on the date of the meetings of the Board of Directors of the said Companies considering and approving this Scheme, i.e. as on 1st August, 2016 is as under:

i. The Transferor Company:

<u>Authorised Share Capital:</u>	<u>(Rs.)</u>
23,00,00,000 Equity Shares of Re.1/- each	23,00,00,000/-
<u>Issued Share Capital:</u>	
22,21,72,990 Equity Shares of Re.1/- each	22,21,72,990 /-
<u>Subscribed and Paid up Share Capital:</u>	
22,21,72,990 Equity Shares of Re.1/- each fully paid up	22,21,72,990/-

ii. The Transferee Company:

<u>Authorised Share Capital:</u>	<u>(Rs.)</u>
60,00,00,000 Equity Shares of Re.1/- each	60,00,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
41,92,13,920 Equity Shares of Re.1/- each fully paid up	41,92,13,920/-

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 are held by the Transferor Company.

3. OBJECTS AND REASONS:

- i. As stated above, 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 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.
- 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.

PART - II

(The Scheme)

4. TRANSFER OF UNDERTAKING:

- 4.1 With effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme. Accordingly, the Undertaking of the Transferor Company shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and manner of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in the Transferee Company, as a going concern without any further act, deed, matter or thing (save as provided in Clause 4.2 below) so as to become on and from the Appointed Date the Undertaking of the Transferee Company.
- 4.2 It is expressly provided that in respect of the assets of the Transferor Company as are movable in nature or otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company accordingly without requiring any deed or instrument of conveyance for the same.
- 4.3 In respect of the assets of the Transferor Company other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order passed under the provisions of Section 394 of the Act.
- 4.4 All debts, liabilities, duties and obligations of the Transferor Company shall be transferred to the Transferee Company, without any further act or deed, pursuant to the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company.
- 4.5 The transfer of the Undertaking of the Transferor Company, as aforesaid, shall be subject to the existing charges, if any, over or in respect of any of the assets or any part thereof.
- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by the

Transferor Company for their operations and/or to which the Transferor Company is entitled to in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Since the Undertaking of the Transferor Company will be transferred to the Transferee Company as a going concern without any break or interruption in the operations thereof, the Transferee Company shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the Undertaking of the Transferor Company on the basis of the same upon this Scheme becoming effective. Further, all benefits to which the Transferor Company is entitled in terms of the various Statutes and / or Schemes of Union and State Governments, including credit for MAT, Advance tax and tax deducted at source and other benefits under Income Tax Act and tax credits and benefits relating to Excise (including Modvat/Cenvat), Sales Tax, Service Tax, etcetera shall be available to the Transferee Company upon this Scheme becoming effective.

- 4.7 For the removal of doubts, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstandings as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

5. LEGAL PROCEEDINGS:

If any suits, actions and proceedings of whatsoever nature (hereinafter called “**the Proceedings**”) by or against the Transferor Company is pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

6. CONTRACTS AND DEEDS:

Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, engagements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

7. SAVING OF CONCLUDED TRANSACTIONS:

The transfer of the Undertaking of the Transferor Company under Clause 4 above, the continuance of Proceedings under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

8. EMPLOYEES:

On and from the Effective Date:

8.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

8.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

8.3 It is expressly provided that the Provident Funds, Gratuity Funds, Superannuation Fund or any other Fund or Funds created or existing for the benefit of the employees, as applicable, of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.

9. DISSOLUTION OF THE TRANSFEROR COMPANY:

The Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

10. CONDUCT OF BUSINESS TILL EFFECTIVE DATE:

With effect from the Appointed Date and up to the Effective Date:

- i. The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company.
- ii. The Transferor Company shall carry on its businesses and activities with due diligence and business prudence and shall not charge, mortgage, encumber or otherwise deal with their

assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of their business, without the prior written consent of the Transferee Company.

- iii. All profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company including accumulated losses shall for all purposes be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

11. ISSUE OF EQUITY SHARES

11.1 Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation, issue and allot to the members of the Transferor Company holding fully paid-up Equity Shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on such date ("the Record Date"), as the Board of Directors of the Transferee Company shall determine, Equity Shares of the face value 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.

11.2 It is expressly clarified and provided that the consequent entitlement of every member of the Transferor Company to credit in the Equity Share Capital of the Transferee Company to the extent of Re.1.33 for every 1 Equity Share of Re.1. each of the Transferor Company shall be aggregated in respect of all Equity Shares held by such member in the Transferor Company. Every such member shall accordingly be issued and allotted such number of whole Equity Shares of Re.1 each in the Transferee Company (hereinafter referred to as "New Equity Shares") into which their aggregate entitlement to credit as aforesaid can be divided with the remaining fractional entitlement, if any, which does not constitute a whole New Equity Share, being consolidated, sold, distributed and dealt with in the manner following:-

No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the New Equity Shares in the Transferee Company as above. The Board of Directors of the Transferee Company or a committee thereof shall consolidate all such fractional entitlements, and issue and allot the New Equity Shares in lieu thereof to a Director and / or Officer(s) of the Transferee Company on the express understanding that such Director and / or Officer(s) to whom such New Equity Shares are allotted shall sell the same in the market and pay to the Transferee Company the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the members of the Transferee Company in proportion to their fractional entitlements.

11.3 The New Equity Shares of the Transferee Company to be issued and allotted in lieu of the Equity Shares of the Transferor Company shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company. Further such new Equity Shares shall pursuant to circular issued

by the Securities Exchange Board of India ("SEBI") on 30th November, 2015 bearing No. CIR/CFD/CMD/16/2015 and subject to compliance with requisite formalities, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Shares of the Transferor Company are listed and/or admitted to trading.

- 11.4 In respect of the shareholding of the members of the Transferor Company held in dematerialised form, the Equity Shares in the Transferee Company shall, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to clause 11.1 above with such shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date. In respect of the shareholding of the members in the Transferor Company held in the certificate form, the Equity Shares in the Transferee Company shall be issued to such members in certificate form. Members of the Transferor Company desirous of receiving the new shares in the Transferee Company in dematerialised form should have their shareholding in the Transferor Company dematerialised on or before the Record Date.
- 11.5 For the purposes as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Government of India and the Reserve Bank of India and other Appropriate Authorities concerned, for the issue and allotment by the Transferee Company to the respective non-resident members of the Transferor Company, of the New Equity Shares in the Share Capital of the Transferee Company in the ratio aforesaid.
- 11.6 The New Equity Shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 11.7 Apart from cancellation of existing shares of the Transferee Company as provided in clause 12 herein, there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approval of the Stock Exchanges to this Scheme.
- 11.8 Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into and combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme, without any further act of deed, and without payment of any registration or filing fee on such combined Authorised Share Capital, the Transferor Company and the Transferee Company having already paid such fees. Accordingly, the Authorised Share Capital of the Transferee Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs. 83,00,00,000/- divided into 83,00,00,000 Equity Shares of Re.1/- each and Clause V of the Memorandum of Association of the Transferee Company and Article 4 of the Articles of Association of the Transferee Company shall stand altered accordingly.

12. CANCELLATION OF EXISTING EQUITY SHARES OF THE TRANSFEREE COMPANY:

Upon the Scheme becoming effective, all Equity Shares held by the Transferor Company in the share capital of the Transferee Company, shall stand cancelled, without any further act or deed.

13. ACCOUNTING:

13.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the pooling of interests method under Accounting Standard (AS) 14, 'Accounting for Amalgamations' ("AS14") annexed to the Companies (Accounting Standards) Rules, 2006.

13.2 Accordingly on and from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required and except to the extent required otherwise by law, all assets and liabilities of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of accounts of the Transferee Company at the book value as recorded in the Transferor Company's books of accounts. Further, all reserves of the Transferor Company shall be incorporated in the books of account of the Transferee Company in the same form in which they appear in the books of account of the Transferor Company.

13.3 The difference, if any, between the amount recorded as additional share capital issued by the Transferee Company on amalgamation and the amount of share capital of the Transferor Company in lieu whereof such additional share capital is issued shall, subject to the other provisions contained herein, be adjusted against and reflected in General Reserves in accordance with AS14. The difference between the carrying amount in the books of the Transferor Company of its investment in the Equity Share Capital of the Transferee Company which shall stand cancelled consequent to this Scheme and the aggregate face value of such Equity Share Capital shall, subject to the other provisions contained herein, be also adjusted against and reflected in General Reserves, in accordance with AS14.

13.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

14. APPLICATIONS:

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications pursuant to Sections 391 and 394 of the Act, to the Hon'ble High Court of Meghalaya at Shillong for sanction and carrying out of the Scheme and for consequent dissolution of the Transferor Company without winding up. If Sections 391 and 394 of the Act stand re-enacted by enforcement of the corresponding provisions of the Companies Act, 2013 prior to the Effective Date and the aforesaid applications are consequently required to be made and/or pursued before the National Company Law Tribunal constituted under the Companies Act, 2013, as the case may be, the said applications shall be made and/or pursued accordingly. In such event references in this Scheme

to the Hon'ble High Court of Meghalaya at Shillong shall be construed as references to the National Company Law Tribunal as the context may require. The said companies shall also apply for and obtain such other approvals, as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

15. APPROVALS AND MODIFICATIONS:

The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- 15.1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble High Court of Meghalaya at Shillong and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
- 15.2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

16. SCHEME CONDITIONAL UPON:

The Scheme is conditional upon and subject to:

- 16.1 Approval of the Scheme by the requisite majority of the members of the Transferor Company and the Transferee Company in accordance with law, including approval of public shareholders of the Transferor Company in terms of paragraphs I(A)9(a) and I(A)9(b) of Annexure I of SEBI Circular dated 30th November, 2015. Accordingly, the Scheme shall be acted upon only if such approvals are accorded by the shareholders of the Transferor Company and the Transferee Company; and
- 16.2 Sanction of the Scheme by the Hon'ble High Court of Meghalaya at Shillong pursuant to Section 391 of the Act.

Accordingly, the Scheme although operative from the Appointed Date, shall become effective on the Effective Date pursuant to filing of certified copies of the order sanctioning the same with the Registrar of Companies by the Transferor Company and the Transferee Company on such date.

17. COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company.

18. RESIDUAL PROVISIONS:

- 18.1 On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under any other provisions of the Act, 1956 and the Companies Act, 2013, including Section 100 of the Companies Act, 1956 and Section 62(1)(c) of the Companies Act, 2013, to the extent the same may be considered applicable.
- 18.2 Without prejudice to the generality of the foregoing, it is clarified and provided that reduction of Share Capital of the Transferee Company in terms of Clause 12 of this Scheme shall be effected as an integral part of this Scheme without having to follow the procedure under Section 100 of the Act separately. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act are not applicable. Notwithstanding reduction of Share Capital of the Transferee Company as aforesaid, the Transferee Company shall not be required to add "And Reduced" as suffix to its name.
- 18.3 Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.
- 18.4 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

Ref: NSE/LIST/88578

September 28, 2016

The Company Secretary
Star Ferro and Cement Limited,
VIII, Lumshong, P.O. Khaliehriat,
Dist. East Jaintia Hills,
Meghalaya - 793210

Kind Attn.: Mr. Debabrata Thakurta

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation under Section 391-394 of the Companies Act, 1956 of Star Ferro and Cement Limited with Star Cement Limited.

This has reference to draft Scheme of Amalgamation under Section 391-394 of the Companies Act, 1956 of Star Ferro and Cement Limited with Star Cement Limited submitted to NSE vide your letter dated August 02, 2016..

Based on our letter reference no Ref: NSE/LIST/85463 submitted to SEBI and pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated September 27, 2016, has given following comments on the draft Scheme of Amalgamation:

"a. Company shall ensure that information submitted by the company, star Ferro and Cement Limited, vide letter dated August 27, 2016, pertaining to para 1(a)9(b) of Annexure I of SEBI circular dated November 30, 2016 is suitably incorporated in the draft scheme."

"b. The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Star Cement Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Star Cement Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Star Cement Limited is at the discretion of the Exchange.

The listing of Star Cement Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Star Cement Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

1.



2. To publish an advertisement in the newspapers containing all the information about Star Cement Limited in line with the details required as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Star Cement Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Star Cement Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from September 28, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

2.

This Document is Digitally Signed



Signer : Patel Kamlesh Naginbhai
Date: Wed, Sep 28, 2016 21:42:02 GMT+05:30
Location: NSE

DCS/AMAL/MD/24(F)/549/2016-17
September 28, 2016

The Company Secretary
Star Ferro and Cement Ltd.
VIII: Lunshnong, PO: Khaliehriat,
Dist.: Jaintia Hills ,Khaliehriat ,
Meghalaya ,793210



Sub: Observation letter regarding the Draft Scheme of Arrangement involving Amalgamation of Star Ferro and Cement Limited with Star Cement Limited.

We are in receipt of Draft Scheme of Arrangement involving Amalgamation of Star Ferro and Cement Limited with Star Cement Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated September 27, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- Company to ensure that information submitted vide letter dated 27.08.2016 to BSE, pertaining to Para 1(a)9(b) of Annexure I of SEBI Circular dated November 30, 2016 is suitably incorporated in the draft Scheme.
- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

However, the listing of equity shares of Star Cement Ltd on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Star Cement Ltd shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Star Cement Ltd. is at the discretion of the Exchange. In addition to the above, the listing of Star Cement Ltd. pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Star Cement Ltd in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

..... 2/-

2. To publish an advertisement in the newspapers containing all the information Star Cement Ltd in line with the details required as per the aforesaid SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Star Cement Ltd on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Star Cement Ltd between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a) Copy of the High Court approved Scheme;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d) Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e) Status of compliance with the Observation Letter/s of the stock exchanges;
- f) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g) Complaints Report as per Annexure II of this Circular.
- h) Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nitin Pujari
Manager

Star Ferro and Cement Limited

Regd. Office : VIII : Lumshnong, P.O. Khaliéhriat, 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

Complaints Report for the period from August 5, 2016 to August 26, 2016

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	NA
5	Number of complaints pending	Nil

Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1	Not Applicable		
2			
3			

For Star Ferro and Cement Limited



Company Secretary



Star Ferro and Cement Limited

Regd. Office : VIII : Lumshnong, P.O. Khaliéhriat, 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

Complaints Report for the period from August 20, 2016 to September 9, 2016

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	NA
5	Number of complaints pending	Nil

Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1	Not Applicable		
2			
3			

For Star Ferro and Cement Limited



Company Secretary





Company Application No. 1 of 2016
 In the Hon'ble High Court of Meghalaya at Shillong
 Original Jurisdiction

 In the Matter of the Companies Act, 1956;

And

In the Matter of an application under Sections 391(1) and 393
 of the said Act;

And

In the Matter of

1. Star Ferro and Cement Limited
2. Star Cement Limited

... .. Applicants.

PROXY

I / We (*) the undersigned Equity Shareholder(s) of Star Ferro and Cement Limited do hereby nominate and appoint

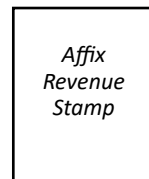
1. Name: _____
 Address : _____
 Email ID: _____
 Signature: _____, or failing him / her
2. Name: _____
 Address : _____
 Email ID: _____
 Signature: _____, or failing him / her
3. Name: _____
 Address : _____
 Email ID: _____
 Signature: _____

as my/our PROXY to act for me/us at the meeting of the Equity Shareholders of Star Ferro and Cement Limited to be held at the registered office of Star Ferro and Cement Limited at Village: Lumshnong, Post Office: Khaliehrat, District: East Jaintia Hills, Meghalaya 793 210 on Monday, the 5th day of December, 2016 at 11 A.M. for the purpose of considering and if thought fit, approving with or without modification, the proposed Scheme of Amalgamation of Star Ferro and Cement Limited with Star Cement Limited at such meeting or any adjournment thereof to vote for me/us and in my/our name _____ [here, 'if for', insert 'for'; 'if against', insert 'against' and in the latter case, strike out the words below after 'Scheme of Amalgamation'] the said Scheme of Amalgamation either with or without modification as my/our proxy may approve.

Dated this ____ day of _____, 2016.

Name:

Address:



Signature:

Ledger Folio No or DP ID/Client ID No:

- NOTES:
1. Please affix appropriate Revenue Stamp before putting Signature.
 2. The proxy must be deposited at the Registered Office of Star Ferro and Cement Limited at least 48 hours before the time of holding the meeting.
 3. A proxy need not be a member of Star Ferro and Cement Limited.
 4. All alterations made in the Form of Proxy must be initialled by the Equity Shareholder.
- (*) Strike out whichever not applicable.



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STAR FERRO AND CEMENT LIMITED

Regd. Office: Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

Tel: 03655 – 278215/16/18, Fax: 03655-278217

Email: info@starferrocement.co.in; investors@starferrocement.co.in

Website: www.starferrocement.co.in

CIN-L27310ML2011PLC008564

ATTENDANCE SLIP

Equity Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the Court Convened Meeting of the Equity Shareholders of Star Ferro and Cement Limited to be held at the registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya 793 210, on Monday, the 5th day of December, 2016 at 11.00 A.M.

Full Name of the Equity Shareholder
(in Block Letters)

Signature

Full Name of the Proxy/Authorised
Representative, if any (in Block Letters)

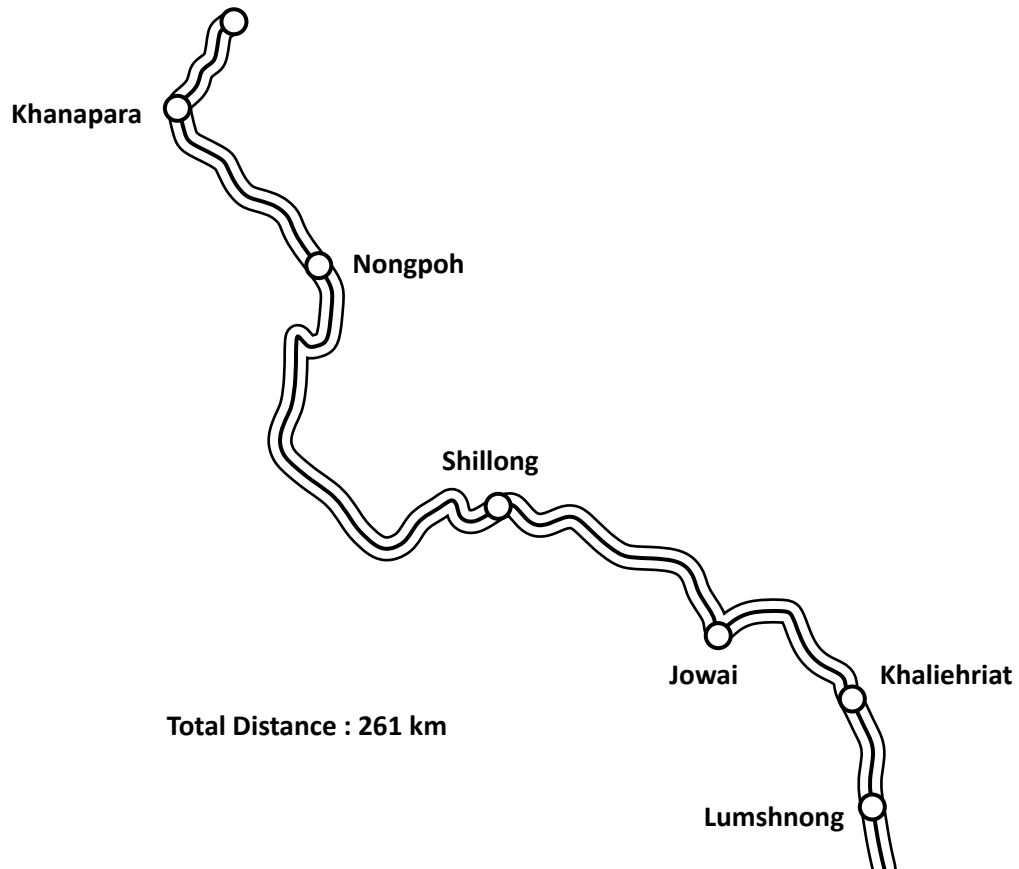
Signature

Ledger Folio No. or DP ID/Client ID No

- Notes:- (1) Kindly bring copy of the Notice for reference at the Meeting.
- (2) The attending members / proxies / authorised representatives are also advised to bring their original photo identity.

Route Map to the Venue of Meeting

Lokpriya Gopinath Bordoloi International Airport, Borjhar, Guwahati



STAR FERRO AND CEMENT LIMITED

Regd. Office: Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

Tel: 03655 – 278215/16/18, Fax: 03655-278217

Email: info@starferrocement.co.in; investors@starferrocement.co.in

Website: www.starferrocement.co.in

CIN-L27310ML2011PLC008564

NOTICE OF POSTAL BALLOT / E-VOTING

Dear Shareholder(s)

Notice is hereby given to you to consider, and, if thought fit, approve the proposed Scheme of Amalgamation of Star Ferro and Cement Limited with Star Cement Limited. Paragraphs I(A)9(a) and I(A)9(b) of Annexure I of Securities and Exchange Board of India (SEBI) Circular No.CIR/CFD/CMD/16/2015 dated 30th November, 2015 (“SEBI Circular”) requires the Scheme to be put for voting by public shareholders through postal ballot / e-voting and provides that “*the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.*” This notice is given accordingly in terms of such SEBI Circular for consideration of the following resolution by postal ballot / e-voting pursuant to Section 110 of the Companies Act 2013:-

To consider, and, if thought fit, to pass, with or without modification(s) the following resolution in terms of Paragraph 9(a) of the SEBI Circular:

“Resolved that the Scheme of Amalgamation of Star Ferro and Cement Limited with Star Cement Limited presented in Company Application No.1 of 2016 filed jointly by Star Ferro and Cement Limited and Star Cement Limited before the Hon’ble High Court of Meghalaya at Shillong be and is hereby approved.”

Approval to the said Scheme is sought by this notice of postal ballot/ e-voting in addition to approval to the said Scheme by shareholders of Star Ferro and Cement Limited at the physical meeting to be held on 5th December, 2016 in terms of an order dated 25th October, 2016 of the Hon’ble High Court of Meghalaya at Shillong in Company Application No.1 of 2016 (“Court Convened Meeting”). The notice of the Court Convened Meeting with the documents accompanying the same, being copy of the said Scheme; statement under Section 393 of the Companies Act, 1956; observation letters of stock exchanges; complaints’ reports; a proxy form and attendance slip are attached herewith. **The said statement under Section 393 of the Companies Act, 1956 sets out all material facts relating to the proposal for approval of the said Scheme. The same is annexed hereto as aforesaid and may also be treated as the explanatory statement to this notice of postal ballot / e-voting under Section 102 of the Companies Act, 2013.**

It is clarified that votes may be cast by shareholders by postal ballot/e-voting in terms of this notice and also physically at the Court Convened Meeting and casting of votes by such postal ballot/e-voting does not disentitle them from casting their votes at the Court Convened Meeting and vice-versa. It is further clarified that while votes may be cast personally or by proxy at the Court Convened Meeting as provided in the notice of Court Convened Meeting, exercise of votes through postal ballot is not permitted through a proxy.

The Postal Ballot Form along with instructions for voting are also enclosed herewith (“**Postal Ballot Form**”). **The instructions for e-voting are also included therein.** Star Ferro and Cement Limited has appointed Mr. Sourav Kedia, Company Secretary in practice (Membership no. ACS 40951) as Scrutinizer for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

You are requested to read the instructions carefully and return the Postal Ballot Form duly completed in the enclosed self-addressed, postage pre-paid and pre-affixed envelope so as to reach the Scrutinizer on or before the close of working hours on 11th December, 2016. Postal ballots received after this date will be treated as invalid. Alternatively, you may cast your votes by responding electronically (e-voting) in the manner described in the said instructions so as to be received by 11th December, 2016. Responses received after this date will be treated as invalid.

The Scrutinizer will submit his report on completion of scrutiny and the results of Postal Ballot shall be declared at the registered office of the Company on 12th December, 2016 and also placed on the Transferor Company’s website www.starferrocement.co.in.

By Order of the Board
For **Star Ferro and Cement Limited**

Place: Kolkata
Date: 7th November, 2016

Debabrata Thakurta
Company Secretary

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