

# STAR CEMENT LIMITED

(Incorporated in the name of Cements Manufacturing Company Limited as Public Limited Company on November 2, 2001, under the Companies Act, 1956, having Registered Office at Village Lumshnong, PO: Khaliehriat, Dist. :East Jaintia Hills, Meghalaya – 793210, with the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram. The registration no. assigned to our Company was U26942ML2001PLC006663. The Company had received Certificate of Commencement of Business on September 19, 2002. The name of the Company was changed to Cement Manufacturing Company Limited vide fresh Certificate of Incorporation dated November 10, 2004, issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram. Subsequently, the name of the Company has been changed from Cement Manufacturing Company Limited to Star Cement Limited and a fresh Certificate of Incorporation dated June 21, 2016 was issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

**Registered Office:** Village Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

Tel: +913655 278215/16/18; Fax: +913655 - 278217

**Corporate Office:** 'Satyam Towers', 1st Floor, Unit No. 9B, 3, Alipore Road, Kolkata - 700 027

Tel: +9133 24484169/4693, Fax: +91 33 22484168

**Email:** investors@starcement.co.in **Website:** www.starcement.co.in

**Contact Person:** Mr. Manoj Agarwal, Company Secretary

## INFORMATION MEMORANDUM FOR LISTING OF 41,92,28,997 EQUITY SHARES OF ` 1/- EACH

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Star Cement Limited unless they can afford to take the risk of losing part or all of their investment. Investors are advised to read the Risk Factors on page 7 of this Information Memorandum carefully before taking an investment decision in the shares of Star Cement Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Star Cement Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Star Cement Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in this Information Memorandum are true and correct in all material aspects and are not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares of Star Cement Limited are proposed to be listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). NSE has been appointed as the designated stock exchange.

### REGISTRAR AND TRANSFER AGENT

#### MAHESHWARI DATAMATICS PRIVATE LIMITED

23, R.N. Mukherjee Road, 5th floor

Kolkata – 700 001

Phone No: (033) 2243-5809/5029, 2248 2248

Fax: (033) 2248-4787

E-mail : mdpldc@yahoo.com

Website: www.mdpl.in

## TABLE OF CONTENTS

TITLE	PAGE NO.
<b>SECTION – I GENERAL</b>	
DEFINITIONS AND ABBREVIATIONS	3
CERTAIN CONVENTIONS, USE OF MARKET DATA	5
FORWARD LOOKING STATEMENTS	6
<b>SECTION – II RISK FACTORS</b>	
INTERNAL RISK	7
EXTERNAL RISK	11
<b>SECTION – III SUMMARY</b>	
GENERAL INFORMATION	14
INDUSTRY OVERVIEW	18
BUSINESS OVERVIEW	22
OUR PROMOTERS AND THE MANAGEMENT OF THE COMPANY	29
CAPITAL STRUCTURE	40
OBJECTS AND RATIONALE OF THE SCHEME	52
SCHEME OF AMALGAMATION	53
STATEMENT OF TAX BENEFITS	62
CURRENCY OF PRESENTATION	71
DIVIDEND POLICY	72
<b>SECTION – IV FINANCIAL INFORMATION</b>	
FINANCIAL STATEMENT OF THE COMPANY	F1 – F65
FINANCIAL AND OTHER INFORMATION OF COMPANIES UNDER THE SAME MANAGEMENT	74
<b>SECTION – V LEGAL AND OTHER INFORMATION</b>	
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	81
FINANCIAL INDEBTNESS	82
GOVERNMENT APPROVALS	85
<b>SECTION – VI REGULATORY AND STATUTORY DISCLOSURES</b>	
REGULATORY AND STATUTORY DISCLOSURES	86
MAIN PROVISION OF ARTICLES OF ASSOCIATION OF THE COMPANY	89
<b>SECTION – VII OTHER INFORMATION</b>	
DOCUMENTS FOR INSPECTION	93
<b>DECLARATION</b>	94

**I. GENERAL**

**DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto or reenactment thereof, from time to time:

<b>Term</b>	<b>Description</b>
SCL or “Company” or “ Our Company” or “we” or “us” or “Our”	Star Cement Limited, a Public Limited Company having its Registered Office at Village Lumshnong, PO: Khaliehriat, Dist. :East Jaintia Hills, Meghalaya – 793210
SFCL	Star Ferro and Cement Limited, a Public Limited Company having its registered office at Village Lumshnong, PO: Khaliehriat, Dist. :East Jaintia Hills, Meghalaya – 793210

**Conventional and General Terms**

<b>Term</b>	<b>Description</b>
Act / Companies Act	The Companies Act, 2013 and/or such other provisions of the Companies Act, 1956, to the extent not repealed and as may be applicable, and amendments thereto
Articles / Articles of Association	Articles of Association of the Company
Appointed Date	April 1, 2016
Auditors	The Statutory Auditors of SCL
Board of Directors / Board	The Board of Directors of the Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Designated Stock Exchange	The designated stock exchange shall be NSE
Equity Share(s) or Share(s)	Equity Share of the Company having a face value of ₹ 1/- unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
Information Memorandum	This document filed with the Stock Exchanges is known as and referred to as the Information Memorandum.
I. T. Act	The Income Tax Act, 1961, as amended from time to time, except as stated otherwise
Memorandum/ Memorandum of Association	Memorandum of Association of the Company
NSDL	National Securities Depository Ltd.
NSE	National Stock Exchange of India Limited
Promoters	Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Sanjay Agarwal, And Mr. Rajendra Chamaria
Record date	April 3, 2017
Registrar and Transfer Agents	Maheshwari Datamatics Private Limited
Scheme of Amalgamation or “The Scheme”	Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 of Star Ferro and Cement Limited with Star Cement Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1995.
Stock Exchanges	Shall refer to the NSE and BSE where equity shares of the SCL are proposed to be listed.

**Industry Related Terms**

<b>Term</b>	<b>Description</b>
<b>Twh</b>	Terra Watt Hours
<b>GW</b>	Gigawatt
<b>MVA</b>	Mega Volt Amp
<b>MT</b>	Million Tonnes

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of Articles of Association of the Company*”, shall have the meanings given to such terms in that section.

**CERTAIN CONVENTIONS, USE OF MARKET DATA**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with Indian GAAP. Our last financial year commenced on April 1, 2015 and ended on March 31, 2016, however the Company has prepared Audited Financial Statements for nine months period ended 31st December, 2016 for the purpose of listing . In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “`” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.

## FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” on page 7 of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Industry” and “Business”.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

## II. RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.*

### INTERNAL RISK

**1. If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business, it may have a material adverse effect on our business**

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with our business and operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition.

**2. The Cement Industry is cyclical in nature and factors affecting the demand for, and requirement of processing cements in particular, global economic conditions, may adversely affect our business, financial condition, results of operations and prospects**

Gypsum, limestone and additives such as laterite and iron ore are essential ingredients for production of grey cement, and therefore our business is dependent upon continued demand for cement in the housing and infrastructure sector. The cement business is cyclical in nature. Accordingly, our operating margins and results of operations are influenced by a variety of factors relating to the cement industry, including but not limited to fluctuations in demand and supply of cements, both domestically and internationally, general economic conditions, changes in the international prices of cement and slowdowns in infrastructure sector.

Historically, market prices for cement has been cyclical and sensitive to changes in supply and demand. Demand for cement is linked to economic activity, including growth in the economy, level of operating activities in core sectors as mentioned above. The supply of cement is dependent upon capacity additions, domestically and internationally, which involve long gestation periods. Significant capacity additions in the cement industry, if not matched by a corresponding growth in demand, may result in downward pressure on cement prices. Due to uncertainty in the supply and demand balances, market conditions and other factors relating to the cement industry, our business, prospects, financial condition and results of operation may be adversely affected.

**3. Non-availability of raw material and other resources may adversely affect our business, financial condition, results of operations and prospects**

The Company would be relying on a number of domestic suppliers to provide certain raw materials, including gypsum, Fly, Ash, Slag and additives such as laterite and iron ore for our cement operations for the plant. The Company would also be dependent on various domestic suppliers for the supply of coal. If the Company is unable to obtain adequate supplies of raw materials or fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, the business and results of operations may be materially and adversely affected. The Company, however, based on its experience in the region is confident that such an occasion would not arise, on account of its multiple supplier profile. Further any adverse changes in regulations may affect business of the Company.

**4. Uninterrupted Supply of Power is essential for production, any interruption in the supply of power may adversely affect our business, financial condition, results of operations and prospects**

The power requirement for running the clinkerisation and cement grinding plant is obtained from the Meghalaya Power Limited (Fellow Subsidiary). Sometimes, State of Meghalaya face power deficit on account of increase in energy requirement in industrial sector as well as domestic sector. State of Meghalaya is Hydro Electric based and dependencies of Hydro Electric Power Generation units on unpredictable rains make it difficult to utilize their capacities of power generation. Company's Captive Power Plant is dependent on supply of coal, therefore any

changes in coal regulation may affect power generation.

**5. Our Company is subject to risks arising from interest rate fluctuations, which could adversely affect the financial results of our Company**

As on December 31, 2016, our Company has outstanding term loans of Rs.207.04 crores from various banks and financial institutions. Any increase in the interest rates could significantly raise the costs of borrowing adversely affecting the results of our Company.

**6. Our Company does not have long-term agreements with any of our customers for purchasing its products and is subject to uncertainties in demand which could decrease sales and negatively affect its operating results**

Though we are dealing with some of our customers for several years, we do not have any long-term agreements with our customers. As a result, our customers can terminate their relationships with us due to a change in vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as quality of our product, fluctuation in demand for steel and steel products, customer's inventory management, amongst others.

Although, we have a strong emphasis on quality, timely delivery of our products, personal interaction by the top management with the customers, any change in the buying pattern of buyers can adversely affect the business of our Company. Further, in absence of such contracts there will always be uncertainty.

**7. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity**

Our operations are dependent on our ability to effectively manage our inventory and timely delivery to our customer. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of merchandise or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory, which would have an adverse impact on our income and cash flows.

**8. We may be held liable for claims of or from customers on account of any defects in the products supplied to our customers including penalty for delay in implementation of purchase orders**

We may be exposed to claims for defects in the cement supplied under certain customers' purchase orders. The quality control procedures may fail to test for all possible conditions of use or identify all defects in the quality and specifications of the cement. Any such defects could require us to undertake product recalls. These actions could require our Company to expend considerable resources in correcting these problems and could adversely affect demand for the cement. Any defect in our Company's products could also result in customer claims for damages. Further, we do not have any defect liability insurance on the products to mitigate the said risk. As a result, our Company may face and be liable for warranty claims for components by it. In defending such claims, our Company could incur substantial costs and receive adverse publicity which may adversely affect our financial conditions and results of operation.

**9. Under-utilisation of capacity may adversely affect our business, results of operations and financial condition**

Use of production capacity is subject to several variables like economic scenario, demand for the cement, power supply, proper working of machinery, orders on hand, etc. It cannot be assured that we shall be able to utilize our existing manufacturing facilities to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.



**10. Any inability to manage the Company's growth could disrupt its business and reduce profitability**

The Company has experienced significant growth in revenues in the past years and expects this growth to place significant demands on both its management and resources. This will require the Company to continuously evolve and improve its operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- Recruiting, training and retaining sufficient skilled technical, sales and management personnel;
- Maintaining high levels of customer satisfaction; and
- Developing and improving the Company's internal administrative infrastructure, particularly the financial, operational and other internal systems.

**11. If the Company is unable to adapt to technological changes, the Company's business could suffer**

Our Company has implemented the latest technology for our Plant. Our Company's future success will depend in part on the company's ability to respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails technical and business risks. Our Company cannot assure that it will successfully implement new technologies effectively or adapt the systems to emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our Company's business, financial performance and the trading price could be adversely affected.

**12. We are dependent on third party transportation providers for the transportation of raw materials and delivery of our products and any failure on part of such providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operations**

As a manufacturer, our success depends on the smooth transportation of raw materials, including gypsum, Fly, Ash, Slag and additives such as laterite and iron ore to our plant and supply and transportation of our products from our plant to our customers, which is subject to various uncertainties and risks. We use third party transportation providers for the transportation of raw materials, including gypsum and additives such as laterite and iron ore and our products. Transportation strikes have had in the past, and could happen again in the future. Such strikes may have an adverse affect on procurement, supplies and deliveries from suppliers and to our customers on a timely and cost efficient basis.

Further an increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our markets may have an adverse affect on our business and results of operations. Failure to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

**13. Our Company has entered into related party transactions with the promoters and/or Directors and the Group Companies**

The company has entered into transactions with the related group companies. Whilst the Company believes that all such transactions have been conducted on an "arm's length basis", there can be no assurance that the Company could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Company may enter into related party transactions in the future. There can be no assurance that such transactions individually or in the aggregate, will not have an adverse effect on the Company's business and results of operations.

**14. Our success is dependent on our distribution and marketing arrangements, for the sale and distribution of our products and on our relationship with our customers. If any of these arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected**

Our direct sales & marketing of our product is dependent on interpersonal marketing skills of the marketing team. Still there are many visual or print media to attract clients and customers to increase sales, marketing is purely dependent on relationships with our clients, any change in the human resources of the marketing team can adversely affect profitability of the company.

**15. Our business is subject to a variety of safety, health and environmental laws and various labours, workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and consolidated financial condition**

Our operations are subject to numerous safety, health and environmental protection laws and various labour, workplace related laws and regulations, which are complex and stringent and may increase our compliance costs. Such regulations may restrict our operations and adversely affect our financial condition, results of operations and cash flows by imposing conditions such as limitations on sitting and constructing new waste disposal, transfer or processing facilities or expanding existing facilities, limitations, regulations or levies on collection and disposal, prices, rates and volumes, limitations or bans on disposal or transportation of certain categories of waste. Significant fines and penalties may be imposed for non-compliance with the safety, health and environmental laws and regulations, and some of these laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person.

We are also subject to stringent labour laws. Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts including those which were in compliance with all applicable laws at the time such acts were performed. For example, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be held responsible for any wage payments to be made to contract labourers hired by our sub-contractors in the event of default by such sub-contractors and we may also be required to absorb a portion of such contract labourers as permanent employees under certain circumstances. Penalties for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include:

- administrative, civil and criminal penalties;
- revocation of permits;
- corrective action orders; and
- breach of certain existing contracts with clients.

The regulatory framework in India is evolving. Future government policies and changes in laws and regulations in India may adversely affect our business and operations, and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

**16. We may not be able to sustain effective implementation of our business and growth strategy, including our expansion plans and the financing of such expansion, which may adversely affect our business and results of operations**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. There can be no assurance that we will be able to execute our strategy within the estimated budget, or that we will meet the expectations of targeted customers. Our inability to manage our business and growth strategy may have a material adverse effect on our business, financial condition and results of operations.

**17. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and there can be no assurance that we will be able to pay dividends in the future**

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

**18. Our Company is dependent on its management and any inability on their part to contribute to the business may affect its performance**

The success of our Company is dependent on the experience of its management. All the expansion strategies and their implementation have been envisaged by and will be executed by the management with the assistance of our Key Managerial Personnel. Any failure of the management to successfully implement and contribute to the Company's business would result in our Company not meeting its expansion plans and strategies. Further, if the

management is not able to manage the operations of our Company in an efficient and effective manner, it will affect the profitability of our Company.

**19. We rely extensively on our systems, including quality assurance, products processing and information technology, the failure of which could adversely affect our business, financial condition and results of operations**

We depend extensively on the capacity and reliability of the quality assurance, product processing and information technology systems supporting our operations. There can be no assurance that we will not encounter disruptions in the future. Our systems are also subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition and results of operations.

**20. The Company may not have adequate insurance to cover any and all losses incurred in its business operations.**

The Company maintains insurance coverage in such amounts and against such risks, which it believes, are in accordance with industry practice.

However, such insurance may not be adequate to cover all conceivable losses or liabilities that may arise from operations, and the Company may, in the future, not be able to maintain insurance of the types or at levels which it deems necessary or adequate or at rates which it considers reasonable.

**21. We have significant working capital requirements**

Our business involves significant working capital. We meet our working capital requirements through internal accruals and debt. Any shortfall in our internal accruals or delay in receipt of subsidy and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

**A. External Risk Factors**

**1. Failure to comply with environmental laws, rules and regulations may adversely affect our business operations**

A failure on our part to adequately comply with applicable environmental laws, rules and regulations, could hamper or adversely impact the operations of our Company, and consequently, could adversely affect the Company and its cash flows and profitability.

**2. Changes in Government Policies and political situation in India could adversely affect our business operations**

The Government of India and the government of each state of India (each a “State Government”) have broad powers to affect the Indian economy and our business in numerous ways. In the past, the Government of India and the State Governments have used these powers to influence, directly and indirectly, the Indian cement industry or other industries on which the cement industry is dependent. Examples of such measures include:

- a. imposing import restrictions and customs duties on imported cement;
- b. granting tax concessions for setting up new manufacturing plants;
- c. allocating Government of India and State Government funding for public infrastructure programs; and
- d. providing preferential coal prices to cement manufacturers.

Some of these measures, the effect of which helps local cement producers, are currently being employed by the Government of India and/or State Governments. However, there can be no assurance that such policies will continue in the future. For example, the Government of India has announced its commitment to reducing import restrictions further and to a phased reduction of customs tariffs.

Any change in existing Government of India and/or State Government policies or new policies providing or withdrawing support to the Indian cement industry or otherwise affecting the economy of north India, including the

construction industry, could adversely affect the supply/demand balance and competition in markets in which we operate and negatively affect our cost structure. There can be no assurance that we would be able to pass on such increase in costs to our customers through an increase in our prices.

**3. Fragmentation of the market as well as consolidation among cement manufacturers may result in downward pricing pressure.**

Currently, the cement industry in India is highly fragmented as compared to those in other cement producing countries. During fiscal 2005 the share of cement production of the top five cement companies has risen to approximately 50%. Still over 15 different cement companies in India which have less than 2 MTPA of cement capacity. In addition to larger cement manufacturers, we are subject to competition from numerous smaller, local competitors. Such local producers have in the past tried to gain market share by discounting their prices, putting pressure on us and other leading cement companies to lower prices as well, so as to maintain our respective market shares.

In recent years, the Indian cement industry has seen increased consolidation among the top players. Consolidation in the Indian cement industry and an increase in the number of larger competitors may also adversely affect our results of operations. The large number of smaller producers in the market is likely targets for acquisition as the sector further consolidates. As producers consolidate and become larger, and as they gain greater access to debt and equity financing, we expect that we will face greater competition, which may lead to lower prices and margins and adversely affect our results of operations.

**4. Terrorist attacks and other acts of violence or war involving India, and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect the business, results of operations and financial condition**

Terrorist attacks and other acts of violence or war may negatively affect the Indian stock markets and also adversely affect the global financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect the business, results of operations and financial condition.

**5. Sensitivity to the economy and extraneous factors**

The Company's performance is highly correlated to the performance of the economy and the financial markets. The health of the economy and the financial markets in turn depends on the domestic economic growth, state of the global economy and business and consumer confidence, among other factors. Any event disturbing the dynamic balance of these diverse factors would directly or indirectly affect the performance of the Company.

**6. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares**

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

**7. Changes in taxation policies could adversely affect our business operations & results of operations**

Statutory taxes and other levies may affect our margin in the event of our inability to factor such expense in our trading margin. Any increase in taxes and/ or levies, or the imposition of new taxes and/ or levies in the future, may have a material adverse impact on our business, results of operations and financial condition.

**8. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

**9. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and could materially affect our future financial performance and the trading price of our equity shares**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

### III. SUMMARY

#### GENERAL INFORMATION

Our Company was incorporated on November 2, 2001, under the Companies Act, 1956 as a public limited company under the name and style of Cements Manufacturing Company Limited. The registration no. assigned to our Company was 006663. The certificate of commencement of business was issued to the Company on September 19, 2002. The name of the Company was changed to Cement Manufacturing Company Limited vide fresh Certificate of Incorporation dated November 10, 2004, issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram. The name of the Company has been further changed from Cement Manufacturing Company Limited to Star Cement Limited and a fresh Certificate of Incorporation dated June 21, 2016 was issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

The Registered Office of the Company is situated at Village Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 since incorporation the Company is under jurisdiction of the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

**Corporate Identification Number:** U26942ML2001PLC006663

#### Registered & Corporate Office:

##### Registered Office:

Village Lumshnong, PO: Khaliehriat  
Dist.: East Jaintia Hills, Meghalaya – 793210  
Tel: +91 3655 278215/16/18  
Fax: +91 3655 278217  
Email: investors@starcement.co.in  
Website: www.starcement.co.in

##### Corporate Office:

'Satyam Towers', 1st Floor  
Unit No. 9B, 3, Alipore Road  
Kolkata - 700 027  
Tel: +91 33 24484169/4693  
Fax: +91 33 22484168  
Email: investors@starcement.co.in

#### Board of Directors:

The Board of Directors as on the date of filing of the Information Memorandum

Name	Designation
Mr. Sajjan Bhajanka	Chairman & Managing Director
Mr. Rajendra Chamaria	Vice-Chairman & Managing Director
Mr. Sanjay Agarwal	Managing Director
Mr. Prem Kumar Bhajanka	Non-Executive Non-Independent Director
Mr. Pankaj Kejriwal	Non-Executive Non-Independent Director
Mr. Mangilal Jain	Independent Director
Mr. Manindra Nath Banerjee	Independent Director
Mr. Santanu Ray	Independent Director
Mrs. Plistina Dkhar	Independent Director
Mrs. Ibaridor Katherine War	Independent Director

**Address of the Registrar of Companies:**

Morello Building, Kachari Road  
Ground Floor  
Shillong - 793001  
Phone: +91 0364 2222519

**Authority of Listing**

The Hon'ble National Company Law Tribunal at Guwahati, vide its order dated February 7, 2017, has approved the Scheme of Amalgamation inter-alia providing for the amalgamation of Star Ferro and Cement Limited to Star Cement Limited. For more details relating to the scheme of amalgamation please refer to the Section titled "**Scheme of Amalgamation**" on page 53. In accordance with the Scheme for Amalgamation, all property, rights and powers and all debts, liabilities, duties and obligations of SFCL stands transferred to and vested into SCL, w.e.f. April 1, 2016 (the Appointed Date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956.

In accordance with the said scheme, the Equity shares of the Company issued pursuant to the Scheme shall be listed and admitted to trading on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of listing criteria of NSE and BSE in this regard and also subject to such other terms and conditions as may be prescribed by NSE and BSE at the time of the application by the Company seeking listing.

**Eligibility Criterion**

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations 2009 are not applicable. However, SEBI vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, has, subject to certain conditions, permitted an unlisted company to seek relaxation from the strict enforcement of clause (b) to sub-rule (2) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957 under sub-rule (7) of Rule 19 of the said Rules. The Company has submitted this Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to NSE and BSE for making this Information Memorandum available to public through their websites viz. [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). The Company has made this Information Memorandum available on its website viz [www.starcement.co.in](http://www.starcement.co.in). The Company will publish an advertisement in the news papers containing all details in line with the requirements as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

**Prohibition by SEBI**

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

**General Disclaimer from the Company**

The Company accepts no responsibility for statement made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**AUDITORS**

**Kailash B. Goel & Co.**

Chartered Accountants  
70, Ganesh Chandra Avenue, 1st Floor,  
Kolkata - 700013  
Tel: +91 33 22151938  
Email: kbgco@yahoo.co.in  
Contact Person: Mr. Arun Kumar Sharma (Partner)  
Membership no: 57329  
Firm Registration Number: 322460E

**BANKERS TO THE COMPANY**

**State Bank of India**

Commercial Branch,  
24, Park Street,  
Kolkata - 700 016  
Contact Person: Mr. Sunny Chandra  
Ph --+91 8017021821

**Allahabad Bank**

Industrial Finance Branch,  
17, R.N. Mukherjee Road  
Kolkata - 700 001  
Contact Person: Mr. P. C. Mishra  
Ph --+91 9432591688

**Bank of Baroda**

India Exchange Branch,  
4, India Exchange Place,  
Kolkata 700 001  
Contact Person: Mr. A. K. Hait  
Ph --+91 9748199054

**Corporation Bank**

Corporate Banking Branch  
Centre Point, 1st Floor,  
21, Hemant Basu Sarani,  
Kolkata - 700 001  
Contact Person: Mr. M. J. Ashok  
Ph --+91 8584884215

**Andhra Bank**

Kolkata Main Branch, 14/1B,  
Ezra Street, Kolkata - 700 001  
Contact Person: Mr. Siddharth Paul  
Ph --+91 9038090038

**Tata Capital Financial Services Limited**

Park Plaza, 2nd Floor, Flat No. 2C & 2D,  
South Block, 71 Park Street, Kolkata - 700 016  
Contact Person: Mr. Prakash Beria  
Ph --+91 9836061461

**HDFC Bank**

3A, Gurusaday Road,  
Kolkata - 700 019  
Contact Person: Mr. Pravin Jain  
Ph --+91 9331259558



**Axis Bank**

7, Shakespeare Sarani,  
Kolkata - 700 071  
Contact Person: Mr. Rahul Gupta  
Ph --+91 9836882345

**Yes Bank**

Stephen House, 1st Floor,  
56A Hemanta Basu Sarani,  
Kolkata – 700 001  
Contact Person: Mr. Raghav Modi  
Ph --+91 8981263566

**NEDFI**

G. S. Road, Dispur,  
Guwahati – 781006  
Contact Person: Mr. Pratim Phukan  
Ph --+91 9854028284

**KEY MANAGERIAL PERSONNEL**

**CHIEF EXECUTIVE OFFICER**

Mr. Sanjay Kumar Gupta

**CHIEF FINANCIAL OFFICER**

Mr. Dilip Kumar Agarwal

**COMPLIANCE OFFICER**

Mr. Manoj Agarwal, Company Secretary  
'Satyam Towers', 1st Floor  
Unit No. 9B, 3, Alipore Road  
Kolkata - 700 027  
Tel: +9133 24484169/4693  
Fax: +91 33 22484168  
Email: magarwal@starcement.co.in

**REGISTRAR & TRANSFER AGENTS**

**Maheshwari Datamatics Private Limited**

23, R.N. Mukherjee Road, 5th floor,  
Kolkata – 700 001  
Phone No: +91-33-2243-5809/5029, 2248 2248  
Fax: +91-33-2248-4787  
E-mail: mdpldc@yahoo.com  
Website: www.mdpl.in  
**Contact Person: Mr. S. Rajagopal**

## INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

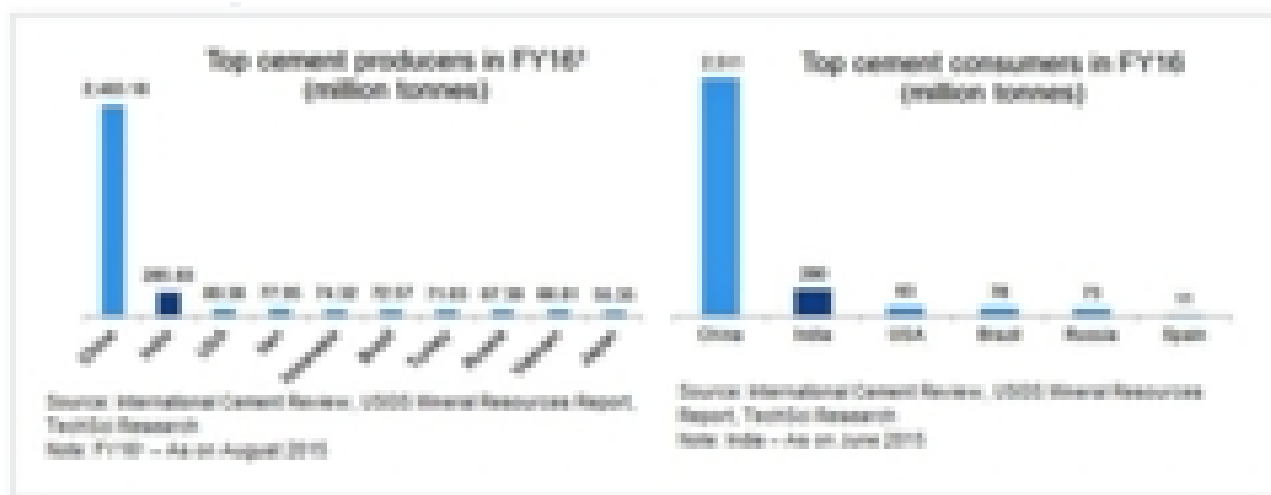
### CEMENT INDUSTRY

#### Overview

Cement is the most essential raw material in any kind of construction activity. Accordingly, cement industry plays a crucial role in the infrastructural development of the country. Since cement is used in almost all construction activities, the cement industry is an important part of nation's economic and industrial base. Cement consumption has a direct correlation to economic growth and improvement in the living standards of society. Historically, growth in global cement trade has been lower than increase in world trade on account of high freight cost and availability of raw material. Figures characterizing the cement industry, such as production capacity and consumption statistics, change as a result of fluctuations in domestic construction activities, economic conditions, and the level of cement imports have been provided in this "Industry Overview".

#### Global Outlook

World cement production stood at around 4.1b MTPA in 2015. China represents the single largest producer of cement with 57% of global cement production followed by India (6%), USA (1.7%), Brazil and Turkey. Global cement consumption declined by over 2% during 2015 to around 4b MT/annum. Decline in consumption is attributable to lower consumption in China, Russia, Europe and parts of Latin America. In the backdrop of slowdown in global growth forecast, geopolitical, commodity, and fiscal risks, cement consumption is projected to grow at a lower average growth rate of 2.4% over the next five years. Growth is expected to be driven by United States, India, Nigeria, Pakistan, Vietnam and Colombia.



#### Indian Cement Industry

India is the second largest producer of cement in the world. No wonder, India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, both from Indian as well as foreign investors.

India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Some of the recent major government initiatives such as development of 98 smart cities are expected to provide a major boost to the sector.

Expecting such developments in the country and aided by suitable government foreign policies, several foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in the country in the recent past. A significant factor which aids the growth of this sector is the ready availability of the raw materials for making cement, such as limestone and coal.

India is one of the largest producer of Cement in world and only second to China. Presently, it accounts for nearly 6% of the total global production capacity which is close to 400 Million MT per annum installed capacity. The cement industry capacity doubled in the last decade, with about 70 Million MT added in the last three years alone. Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can prove to be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main regions viz. North, South, West, East and the Central region. The Southern region of India has the highest installed capacity, accounting for about one-third of the country's total installed cement capacity.

On the consumption side, India has witnessed sustained growth in cement consumption since 2001. However, consumption growth has slowed down in last 4-5 years mainly on account of a slump in housing, infrastructure and commercial sector. The gap in the pace between capacity additions and actual demand has led to an excess capacity situation in the industry, resulting in sub-optimal utilization rates.

On Per Capita consumption front, cement in India still remains substantially low at about 195 kg which is less than 50% as compared with the world average and thus underlines the tremendous scope for growth in the Indian cement industry in the long term.

Cement is a cyclical commodity with a high correlation with GDP. The housing sector is the biggest demand driver of cement, accounting for about two-thirds of the total consumption. The other major consumers of cement include infrastructure, commercial construction and industrial construction. First half of FY 2015-16 witnessed slowdown in consumption and demand growth. However, second half of the Financial Year started with up-tick in demand which further consolidated during the last quarter of the financial year. Housing sector is the major demand driver. The slow growth in cement sector is expected to remain a short-term phenomenon with the Government's focus on constructing 50 million houses under 'Housing for All' scheme by 2022. Government's other initiatives such as 100 smart cities, AMRUT cities, affordable housing as well as initiatives undertaken towards development of ports, roads, bridges, freight corridor, etc. are likely to provide further impetus to cement demand in India. This also gets reflected with Government's intention to unshackle the impediments in economic and infrastructural growth. The years ahead are expected to bring more cheers for Indian Cement Industry.

On the cost front power, fuel and logistic costs are the major cost drivers. Cost, quality and availability of coal are major cost driver for power as well as fuel so far as cement industry is concerned. Indian cement industry continued to face challenges on this front, both in terms of quality as well as prices. However, with all time low Baltic Dry Index (BDI), the landed cost of imported Petroleum Coke has been seen to be more cost effective for cement industry in terms of its cost as well as consistency in quality parameters. With unblocking of coal blocks and Governments intent to bring perceptible difference in power supply situation, both in terms of quantity and quality, it is expected that in years to come, the challenges currently being faced by Indian cement industry will be eased out.

### **Eastern India – Opportunities for Indian Cement Industry**

North Eastern India comprises of contiguous Seven Sister States namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura and the Himalayan state of Sikkim and located in eastern most part of country. India's North East Region (NER) is endowed with huge untapped natural resources. However, despite being endowed with vast natural resources in terms of forests, biological diversity, hydroelectricity, the region has remained largely underdeveloped on account of poor infrastructure and limited connectivity, both within the region as well as with the rest of the country. The region, connected to the rest of India by a narrow stretch of land called the 'chicken's neck', needs infrastructure to support. Large Hydro potential that exists in NER and if exploited, has potential to export power to the power deficit northern and western regions of the country. This under development of the region presents a lot of opportunities for industrial and infrastructure growth within the region. Development of infrastructure such as roads, communications, and electricity supply to remote hilly area will result in better quality of life. The improvement in power generation will in turn help in establishing industries by annulling the effects of high transportation costs.

Owing to proximity of the region with neighboring countries such as Bangladesh and Myanmar, the region has potential of augmenting trade.

On the socio-economic front, the region stands way below in comparison with the rest of India. Underdeveloped infrastructure has been one of major bottlenecks in development of region on socio-economic front. During recent years the Government has taken several steps to overcome these infrastructural bottlenecks to induce sustainable development in the region. The strong focus on roads, airports and hydropower developments are some of the key steps in this direction.

All the above developments present a promising future for cement industry in North East Region.

## **Future Outlook**

### **Opportunities**

Cement demand in India is expected to increase due to government's push for large infrastructure projects, leading to 45 million tonnes (MT) of cement needed in the next three to four years.

India's cement demand is expected to reach 550-600 Million Tonnes Per Annum (MTPA) by 2025. The housing sector is the biggest demand driver of cement, accounting for about 67 per cent of the total consumption in India. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at 9 per cent.

To meet the rise in demand, cement companies are expected to add 56 MT capacity over the next three years. The cement capacity in India may register a growth of eight per cent by next year end to 395 MT from the current level of 366 MT. It may increase further to 421 MT by the end of 2017. The country's per capita consumption stands at around 190 kg.

The Indian cement industry is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. A total of 188 large cement plants together account for 97 per cent of the total installed capacity in the country, with 365 small plants account for the rest. Of these large cement plants, 77 are located in the states of Andhra Pradesh, Rajasthan and Tamil Nadu.

### **Investments**

On the back of growing demand, due to increased construction and infrastructural activities, the cement sector in India has seen many investments and developments in recent times.

According to data released by the Department of Industrial Policy and Promotion (DIPP), cement and gypsum products attracted Foreign Direct Investment (FDI) worth US\$ 3.109 billion between April 2000 and March 2016.

### **Government Initiatives**

In the 12th Five Year Plan, the Government of India plans to increase investment in infrastructure to the tune of US\$ 1 trillion.

The Cement Corporation of India (CCI) was incorporated by the Government of India in 1965 to achieve self-sufficiency in cement production in the country. Currently, CCI has 10 units spread over eight states in India.

In order to help the private sector companies thrive in the industry, the government has been approving their investment schemes. Some such initiatives by the government in the recent past are as follows:

- The Parliament of India has cleared amendments to the Mines and Minerals Development and Regulation (MMDR) Act, which will enable companies to transfer captive mines leases similar to mines won through an auction, and which is expected to lead to increased Mergers and Acquisitions (M&A) of steel and cement companies.
- The Government of India is planning to revive the state-run cement factories across India, in order to give a boost to road and realty projects by bringing down their construction costs.

- The Government of India plans to enact a law that will allow the companies which have received mining licenses without having gone through the auction process, to transfer these leases, in a move that is expected to make mergers and acquisitions (M&As) easier in the steel, cement, and metals sectors.
- The Government of Kerala has accorded sanction to Malabar Cements Ltd to set up a bulk cement handling unit at Kochi Port at an investment of Rs 160 crore (US\$ 23.5 million).
- The Andhra Pradesh State Investment Promotion Board (SIPB) has approved proposals worth Rs 9,200 crore (US\$ 1.35 billion) including three cement plants and concessions to Hero MotoCorp project. The total capacity of these three cement plants is likely to be about 12 MTPA and the plants are expected to generate employment for nearly 4,000 people directly and a few thousands more indirectly.
- India has joined hands with Switzerland to reduce energy consumption and develop newer methods in the country for more efficient cement production, which will help India meet its rising demand for cement in the infrastructure sector.
- The Government of India has decided to adopt cement instead of bitumen for the construction of all new road projects on the grounds that cement is more durable and cheaper to maintain than bitumen in the long run.

### **Road Ahead**

The eastern states of India are likely to be the newer and virgin markets for cement companies and could contribute to their bottom line in future. In the next 10 years, India could become the main exporter of clinker and gray cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for exports and will logistically be well armed to face stiff competition from cement plants in the interior of the country.

A large number of foreign players are also expected to enter the cement sector, owing to the profit margins and steady demand. In future, domestic cement companies could go for global listings either through the FCCB route or the GDR route.

With help from the government in terms of friendlier laws, lower taxation, and increased infrastructure spending, the sector will grow and take India's economy forward along with it.

### **Impact of GST on Indian Cement Sector**

It is expected that GST introduction will help the Indian cement sector and improve their profitability. It is predictable that tax rates could get reduced to 18-20% from the current rates of 27-32%. This substantial reduction in tax rates will help the company to reduce costs or to increase volume of sales. GST will also reduce warehousing/dumping costs of the Company. Therefore, GST will have a positive impact on the Indian cement industry.

References: Media Reports, Press releases, Union Budget 2016-17

Notes: # – 'India Cement' report by Nomura Research dated October 13, 2015

## BUSINESS OVERVIEW

Our Company was incorporated on November 2, 2001, as an Unlisted Public Company under the name of Cements Manufacturing Company Limited within the jurisdiction of the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram, having Registered Office situated at Village Lumshnong, PO: Khaliehriat, Dist. :East Jaintia Hills, Meghalaya – 793210. The name of the Company was changed to Cement Manufacturing Company Limited vide fresh Certificate of Incorporation dated November 10, 2004. The name of the Company has been further changed from Cement Manufacturing Company Limited to Star Cement Limited and a fresh Certificate of Incorporation dated June 21, 2016 was issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

Our Company was promoted by Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal, Mr. Rajendra Chamaria and Mr. Prem Kumar Bhajanka,. The Company that started-off as a humble cement manufacturer is today one of the largest integrated cement manufacturer in the North-East Region (NER) with growing presence in the eastern region. The Company along with its subsidiaries Meghalaya Power Limited (MPL), Megha Technical & Engineers Pvt. Ltd. (MTEPL) and Star Cement Meghalaya Ltd. (SCML) and hired Grinding units has a combined manufacturing capacity of 2.60 million tonnes per annum (MTPA) clinker, 4.40 MTPA cement and 51 MW power. Our Company is the largest cement manufacturer in north east India. The location of the plant in the State of Meghalaya ensures easy availability of high-grade limestone.

Government of India has announced the North East Industrial and Investment Promotion Policy (NEIIPP), 2007, containing an extensive package of fiscal incentives in order to boost investment in the North East Region. While incentives like Excise Duty Refund, Income Tax Exemption, VAT remission, Transport / Freight Subsidy etc. have been extended, capital investment subsidy has been increased from 15% to 30% of the value of plant & machinery without any upper ceiling. Our plant being located in the State of Meghalaya, we are currently enjoying some of these benefits.

The Company has posted gross turnover of Rs. 176,341 lac in 2015-16 and posted gross turnover of Rs.124,677 lacs up to December 31, 2016, on consolidated basis.

### Operation

We have manufactured 2,121,080 MT of clinker and 2,670,287 MT of cement in 2015-16 and 15,83,005 MT of clinker and 19,82,484 MT of cement up to December 31, 2016.

During the 1st and 2nd quarters of the year, there was growth of more than 20%. However, due to demonitisation effect the growth was down in the 3rd and 4th quarters of the year.

Our Company is an ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certified organization and believes in ensuring strict quality norms, environment protection and operational health and safety. Our Product Range includes:

Clinker: For sales in domestic market as well as export of clinker to Nepal & Bhutan and internal consumption for cement manufacturing.

Cement: Grade “A” quality OPC (Ordinary Portland Cement), PPC (Portland Pozzolana Cement) and PSC (Portland Slag Cement) manufacturing.

Power: Power generation for internal consumption.

We endeavor to manufacture high quality products that are delivered within the stipulated time to our clients. Quality raw material, right type of equipment and quality control measures culminate into quality products. The Company markets clinker to grinding units in eastern India, Nepal and Bhutan. Apart from retail sales, the Company’s products are also sold to leading institutional customers owing to its high quality standards. Some of the brand enhancing institutional customers includes Oil India Limited, L&T, NTPC , NHPC and DGS&D.

In the recent past, the cement industry has witnessed subdued demand from the real estate and infrastructure sectors resulting in tumbling cement prices and tapering margins. The rise in limestone prices and rail freight further aggravated

the situation. Amidst these grey clouds, the silver lining was the amendment in Mines and Minerals (Development and Regulation) Act, 1957 which shall stimulate merger and acquisition activities. Even in these testing times, the Company performed better than the industry as total revenues increased 20% from ` 1,431.21 crore in 2014-15 to ` 1,716.33 crore in 2015-16 primarily driven by a 21.23% increase in cement sales volume from 2,169,251 metric tonnes (MT) to 2,629,695 MT and cement sales volume up to December 31, 2016 was 17,40,305 MT.

The demand for cement is likely to improve in the coming years backed by revival in the two primary user segments i.e. infrastructure and real estate sector. The upcoming infrastructure boom in the country to sustain the economic growth momentum, especially in the power, roads and urban infrastructure sectors, would result in significant demand recovery for the cement industry. It is estimated that the country would require an investment of ` 31 lac crore towards infrastructure improvements during 2015-20. In the real estate sector, the 'Housing for All' and 'Smart Cities' projects are likely to create significant demand for cement. Apart from this, the New Real Estate Act, 2016 relaxation in FDI policies in real estate and amendments in REITs (Real Estate Investment Trust) policy shall reinforce buyer confidence in the real estate sector and boost demand, auguring well for the cement industry.

Considering the growing opportunities, our Company have started-off by putting in significant planning, effort and time in selecting the most strategic locations for setting-up manufacturing plants to enable us benefit from reduced logistics cost and widen our marketing reach across 11 states in the north-eastern and eastern regions of the country. We further strengthened our marketing reach by creating a robust network of over 2,680 dealers and 9,250 retailers that enables us to ensure that our products reaches the remotest corners of the respective states.

We focused on acquiring modern technologies for operational efficiencies, manufacturing only top quality cement and backward integration.

We focused on developing competencies and expertise in one business, avoiding any distractions and deviations. We strengthened, widened and deepened our presence in the sector by developing an impeccable business model through a network of group companies having synergies to achieve economies of scale, backward integration, optimal process efficiencies, efficient logistics management and strong marketing presence in the North-Eastern region (NER).

When others focused on the faster growing western, southern and northern regions of India, we thought differently. We instead chose an area that was relatively untapped and lacked infrastructural development. Over the years, we have built our competencies in the region and scaled-up capacities making us the largest and the only integrated player in North-East region. It is a result of this precious thinking, that, after years of neglect when this region is finally receiving its due importance for infrastructural development, we are competitively placed to make the most of these unfolding opportunities.

### **Company's North Eastern Region (NER) strategy**

Realizing these opportunities, the Company had started setting up its first cement plant in the State of Meghalaya of NER with a very small capacity of 0.3 Million MT more than a decade ago and started its commercial operations during later part of the FY 2004-05. The product and brand was well accepted in the markets of North East. Looking at the potential of the market, our Company kept on adding the capacity which has reached to the level of 2.60 Million MT per annum of Cement Clinker and around 3.70 Million MT of Cement in North East alone. With passage of time, the Company has been able to spread its foot print in the entire North Eastern Region in terms of its distribution network and enjoys a premium brand reputation commanding highest market share in North Eastern Region. Owing to the vast opportunities, markets of North Eastern Region continued to remain the focus market for the Company.

Simultaneous with expanding its horizon in the markets of North Eastern Region, your Company which started its network expand in the markets of West Bengal and Bihar during the latter part of Financial Year 2013-14 has further consolidated its presence in these markets during the year under review. States of West Bengal and Bihar have also remained under developed as compared to rest of India and has tremendous growth opportunities in infrastructure and housing sector, two major demand drivers of cement. Your Company has successfully driven the marketing campaign in these States to bring the recall of its brand "STAR CEMENT" at the top of people's mind. Looking at opportunities in these markets, your Company has further augmented its capacity in form of arrangements with grinding units in the State of West Bengal.

### **Mines:**

The Company is having own lime stone mines.

**Raw materials:**

Fly ash : Procured from West Bengal/Bihar/ Jharkhand

Iron ore : Procured from Jharkhand

Gypsum : Procured from Bhutan

**Raw materials**

All major raw materials like limestone, coal, mill scale/ iron ore, gypsum and other additives particulars fly ash are easily available. Limestone is the basic raw material for cement manufacturing.

Our Company is one of the very few cement manufacturing companies in the country having captive power plant. Other raw materials are sourced from local market and neighboring States only. The products of the company enjoy reputation in North-East India. Further, power is procured through the platform of Indian Energy Exchange and Meghalaya Power Limited. The location of the plant in the State of Meghalaya ensures easy availability of high-grade limestone.

**Capacity utilization**

We have combined manufacturing capacity of 2.60 million tonnes per annum (MTPA) clinker, 4.40 MTPA cement and 51 MW power. The Company's capacity utilization stands at 82.7% for clinker and at 64.82% for cement for the nine month period ended December 31, 2016.

**Area of operation**

Our primary market is India where we sell most of our productions. We also export Clinker to Nepal and Bhutan.

**Quality Assurance**

Involvement of Quality Assurance at every stage as an integrated approach to assure quality. We have affixed in built checks and balances to ensure effective controls. Some unique features of our system are elaborated below:

- Right and proven technology
- Right sources
- Right manufacturing process
- Field quality in both raw material and finish product
- Best Practices
- Quality assurance and standards
- Quality Planning
- Quality Control
- System of feedback
- Quality system Audits of production and process
- ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certification
- Well defined vendor assessment system

**Quality Control**

Our Company has a well equipped quality control division with latest equipment, which assures quality of incoming raw material, processes output and finish products.

Qualified & experienced Chemists ensure that the desired quality standards of the customers are fulfilled. This results in:

- Better process control
- Optimization of redundant consumption
- Minimize flux consumption
- Reuse of solid waste



- Improving and optimizing furnace efficiency
- Developing processes for pre-heating and pre-reduction of mineral inputs
- Constant process improvement for increasing output quality to customers specifications

### **Our Strengths**

We believe that the following are our competitive strengths:

#### **Company's presence in high growth Territory**

The cement industry in India is one amongst the fastest growing sectors due to the rapid development of infrastructure and real estate projects in the country. The recent thrust given to economic and infrastructure growth in NER has created an ample opportunity for development of real and infrastructure projects in the region. In NER and West Bengal cement marketing is not expected to pose any problems. Our company is the largest integrated cement manufacturing unit in the NER amongst the few. Given the freight component in cement manufacturing, our Company enjoys a significant competitive advantage in NER and West Bengal.

#### **Locational Advantage**

The Company had started with its first cement plant in the State of Meghalaya of NER with a very small capacity of 0.3 Million MT more than a decade ago and started its commercial operations during later part of the FY 2004-05. The product and brand was well accepted in the markets of North East. Looking at the potential of the market, our Company kept on adding the capacity which has reached to the level of 2.60 Million MT per annum of Cement Clinker and around 3.70 Million MT of Cement in North East alone. With passage of time, the Company has been able to spread its foot print in the entire North Eastern Region in terms of its distribution network and enjoys a premium brand reputation commanding highest market share in North Eastern Region. Owing to the vast opportunities, markets of North Eastern Region continued to remain the focus market for the Company.

#### **Access to good quality Raw Material**

All major raw materials like limestone, coal, mill scale/ iron ore, gypsum and other additives particulars fly ash are easily available. Limestone is the basic raw material for cement manufacturing.

Our Company is one of the very few cement manufacturing companies in the country having captive power plant. Other raw materials are sourced from local market only. The products of the company enjoy reputation in North-East India. Further, power is procured through the platform of Indian Energy Exchange and Meghalaya Power Limited. The location of the plant in the State of Meghalaya ensures easy availability of high-grade limestone.

#### **Robust Brand**

Our Company sells cement produced by it in the brand name of Star Cement. Our Brand is well accepted in NER and West Bengal as well as other marketing areas of our Company.

#### **Extensive marketing and distribution network**

Our Company has a large network of dealers spread over the NER and State of Bengal and Bihar and Jharkhand. Our Company appoints "Sales Promoters" who serve as the link between company and the dealers.

#### **Experienced Management**

Our Company is managed by a team of experienced and professional personnel having knowledge of all aspects of operations, engineering, material management, marketing and finance. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business. We believe our management and executive team have the long-term vision to provide stability and continuity to our businesses. We also believe that the understanding and expertise of our management and executive team of the cement business will enable us to grow in a focused and constructive manner.

### **Productivity**

We operated at 81.58% (for clinker) and at 72.17% (for cement) capacity level in the FY2015-16 and at 82.7% (for clinker) and at 64.82% (for cement) capacity level in the nine months period ended December 31, 2016.

### **Scale**

We manufactured 15,83,005 MT of clinker and 19,82,484 MT of cement for the nine months period ended December 31, 2016.

### **Product basket**

The Company is engaged in the production of clinker and cement.

### **Quality focus**

The Company is a process-led producer resulting in a compliance with global health and quality benchmarks on one hand and superior quality on the other hand.

### **Technology**

The Company undertook technological up-gradation and the installation of new technologies is done at a faster pace.

### **Research and development**

Our Company has a well equipped R&D division with Sophisticated Analytical Equipment

### **Our Business Strategy**

#### **Capacity Optimization**

In order to optimize our capacity, we have undertaken debottlenecking in some sections of the plant by installing equipments for removing imbalances in those areas and aligning the same with overall facilities. With all the major equipments capable of achieving production, we manufactured 15,83,005 MT of clinker and 19,82,484 MT of cement up to December 31, 2016.

#### **Strengthen our position in the region we operate**

The cement industry in India is region-focused due to the high transportation costs. Our Company's strategy is to focus on maximizing net sales realization by focusing on sales of our product in the region we operate. The Company's strategy is to focus on saturating the markets which are close to our plant where we enjoy a significant freight advantage. Moreover, the growth in NER and Eastern India has presented a growth opportunity for our Company.

#### **Lower power cost by use of captive power plant**

The million ton cement plant, with a view to becoming competitive from energy cost viewpoint needs to have a captive power plant which will help reduce cost of energy substantially besides improving quality of power in terms of uninterrupted supply. In this regard, our company has a captive power plant. The captive power plant helps us remain competitive in long run.

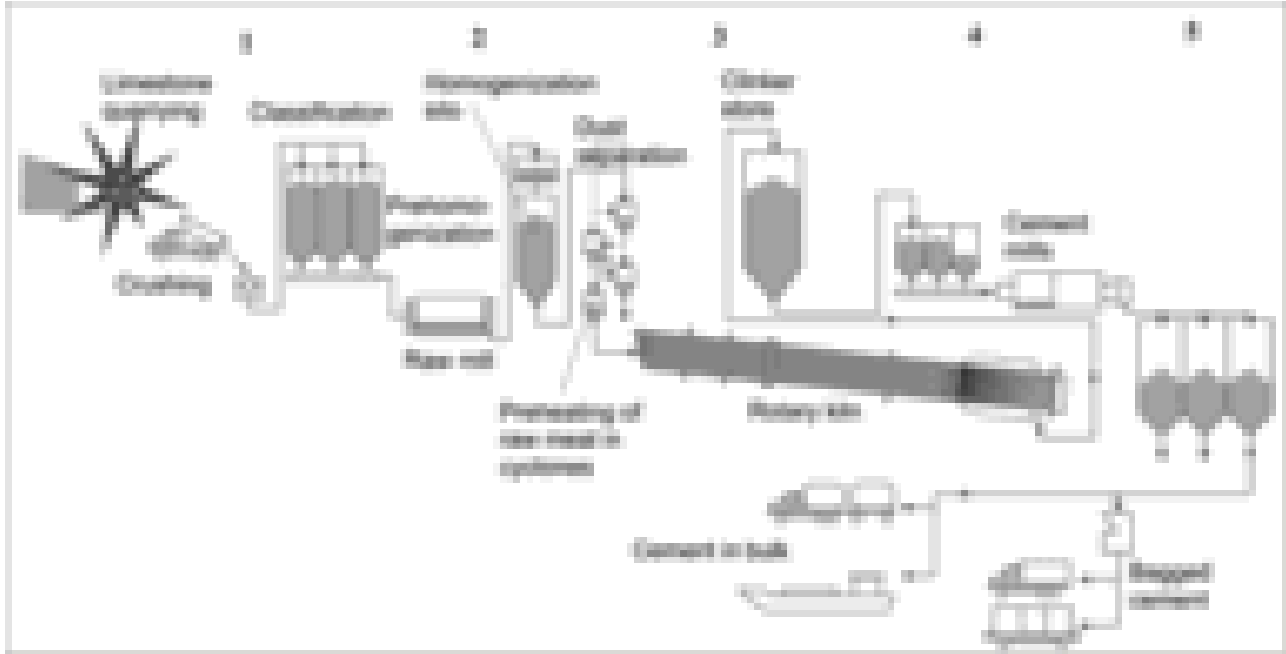
#### **Promote our Brand**

To promote our Company's products and our brand with distributors who are the interface between the customers and our Company, our Company organizes meetings with distributors/dealers/customers. Our Company also undertakes advertising and promotional campaigns in select areas on retail sales to increase the brand awareness, enhance the understanding and reach of our Company's products. Direct promotional efforts to reach out to contractors and builders are also undertaken.

### Ensuring continuous raw material supply

Our Company is focused on ensuring long-term availability of raw materials used in manufacturing of cement. We put a continuous check on supply/ stock of all the major raw materials like limestone, coal, mill scale/ iron ore, gypsum and other additives particularly fly ash for our plant.

### Cement Manufacturing Process



The raw materials needed to produce cement (calcium carbonate, silica, alumina, and iron ore) are generally extracted from limestone rock, chalk, shale, or clay. These raw materials are won from the quarry by either extraction or blasting.

These naturally occurring minerals are then crushed through a milling process. At this stage, additional minerals are added to ensure the correct chemical composition for making cement. These minerals can be obtained from the waste or by-products of other industries, such as paper ash. Milling produces a fine powder, known as raw meal, which is preheated and then sent to the kiln for further processing.

The kiln is at the heart of the manufacturing process. Once inside the kiln, the raw meal is heated to around 1,500 degrees C - a similar temperature to that of molten lava. At this temperature, chemical reactions take place to form cement clinker, which contains hydraulic calcium silicates.

In order to heat the materials to this very high temperature, a 2,000-degree C flame is required, which can be produced through the use of fossil and waste-derived fuels. The kiln itself is angled by 3 degrees to the horizontal to allow the material to pass through it, over a period of 20 to 30 minutes.

Upon exiting the kiln, the clinker is cooled and stored, ready for grinding, to produce cement.

A small amount of gypsum (varying from 2 percent to 5 percent depending on lime stone quality) is added to the clinker to regulate how the cement will set. The mixture is then very finely ground to obtain "pure cement." During this phase, different mineral materials, called "additions," may be added alongside the gypsum. Used in varying proportions, these additions, which are of natural or industrial origin, give the cement specific properties, such as reduced permeability, greater resistance to sulfates and aggressive environments, improved workability, or higher-quality finishes.

Finally, the cement is stored in silos before being shipped in bulk or in bags to the sites where it will be used.

## **MAIN OBJECTS OF THE COMPANY**




The main objects as set out in the Objects Clause III (A) of the Memorandum of Association of the Company are as under;

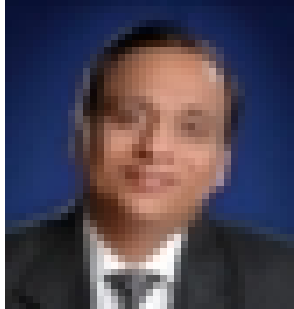
1. To Produce, manufacture, treat, process, prepare, refine, import, export, purchase, sell and generally to deal in either as principals or as agents wither solely or in partnership with other, all types and kinds of Cement ordinary, white, coloured Portland, pozzolan, alumina, blast furnace, silica and all other varieties of cement lime and limestone clinker and/or by products thereof, as also cement products of any or all description such as pipes, poles, slabs, asbestos, sheets, blocks, tiles, garden wares, plaster of Paris, lime, pipes, building materials and otherwise and articles, things, compounds and preparations connected with the aforesaid products and in connection therewith to take on lease or otherwise acquire, erect, construct, establish, work operate and maintain factories, quarries, mines and workshop.
2. To carry on the business of producers, manufacturers, refiners, processors, traders, stockist, exporter, importer or generally to deal in bricks, sand, stone, marble, files, refractories, china wares, sanitary materials, pipes, tubes, tubulars, structures, paints, adhesive, sheets, roofing, glass, furniture, fitting, electrical goods, water supply or storage equipment, floor polish, doors, diosers, concrete mixers, elevator and any other building of decorative materials made of cement, stone, clay, timber, teak, board, fibre, paper, glass rubber, plastic or other natural or synthetic or chemicals.
3. To carry on all or any of the business as manufacturers and sellers of dealers and workers in cements of all kinds of lime, plasters, whiting, clay, gravel, sand, minerals, earth, coke, fuel, gypsum, coal, jute, hessian cloth, gunny bags, paper bags, artificial stone and all builders requisite made out of cement and cement products and convenience of all kinds.
4. To buy, sell, import, export, manipulate prepare for market and deal in merchandise, of all kinds of and generally to carry on business as agents for Indian and Foreign Principals for sale, purchase, export and import of commodities and merchandise of all kinds and descriptions.
5. To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspect of planning, investing, research, designs and preparation of preliminary, feasibility, and define Project reports, construction, generation, operation and maintenance, renovation, and modernization of power stations and projects, Transmission, distribution, sale of Thermal/Hydro power and power generated through Non conventional Renewable energy Sources, power development including backward integration and to develop and deal in fuels(e.g. coal, LNG, syngas, orimulsion, lignite, coal- bed methane etc.) In all its aspect and for that purpose to set up, promote, operate, and carry on the business of coal mining, coal washeries, liquefied natural gas for supply of fuel and also to undertake the business of other allied/ancillary industries including those for utilization of steam generated at power stations, coal ash and other by products and install, operate and manage all necessary plants, establishments and works.

**OUR PROMOTERS AND THE MANAGEMENT OF THE COMPANY**

**Promoters**

**Individual Promoter**

<p><b>Mr. Sajjan Bhajanka</b></p> 	<p>Mr. Sajjan Bhajanka, 65 years, is a commerce graduate having 38 years of experience in plywood, ferro-silicon and cement industries. He is presently Chairman and Managing Director of Century Plyboards (India) Ltd and Star Cement Limited.</p> <p>Mr. Sajjan Bhajanka is responsible for financial management of the group. Mr. Bhajanka is a Director of Star Cement Meghalaya Ltd., Meghalaya Power Ltd., Century MDF Ltd, Emami Ltd. to name a few.</p> <p>Mr. Bhajanka is associated with various economic, commercial and social organizations. He is President of Federation of Indian Plywood &amp; Panel Industry (FIPPI) and All India Veneer Manufacturers Association. He is a governing body member of the Indian Plywood Industries Research &amp; Training Institute (IPIRTI), Bangalore (Autonomous body of the Ministry of Environment &amp; Forests, Govt. of India) and is also the Chairman of Research Advisory Committee of IPIRTI. He is considered as an Icon of Indian Plywood industry. He is also the past President of Bharat Chamber of Commerce. In addition to business activities, he also has keen interest in social activities. He was national President of Friends of Tribal Society, an NGO running over 50,000 one-teacher schools in tribal belts of India. He is a trustee of Kalyan Bharti Trust which has set up 'The Heritage School' and 'Heritage Institute of Technology' at Kolkata.</p> <p><b>Passport No:</b> H1729223  <b>Voter ID :</b> WB/23/148/222558</p>
<p><b>Mr. Prem Kumar Bhajanka</b></p> 	<p>Mr. Prem Kumar Bhajanka, 59 years, is a commerce graduate. He has an experience of over 38 years in plywood industry and had established two plywood units Changlang Plywoods Pvt. Ltd. and Cent Ply Pvt. Ltd. in the North-east, besides being the promoter of another plywood unit Century Panels Pvt. Ltd. in Haryana. He is presently Managing Director of Century Plyboards (India) Ltd. and Star Cement Meghalaya Ltd. Mr. Bhajanka has also been instrumental in establishing Star Cement Limited, one of the biggest cement plants in North-east.</p> <p><b>Passport No:</b> Z2246776  <b>Voter ID :</b> TER0112649</p>
<p><b>Mr. Sanjay Agarwal</b></p> 	<p>Mr. Sanjay Agarwal, 56 years, is a commerce graduate having 29 years of experience in various fields. He is the Managing Director &amp; a Promoter Director of Century Plyboards (India) Ltd and Star Cement Limited. He is the driving force behind the successful making of 'Star Cement' Brand. He is looking after Sales, Marketing, IT&amp; HR activities.</p> <p>Mr. Sanjay Agarwal has been actively involved in several socio-cultural activities. He had served as President of Marwari Yuva Manch. He is the promoter trustee of Kalyan Bharti Trust which has set up 'The Heritage School' and 'Heritage Institute of Technology' at Kolkata. He is also the past President of Merchants Chamber of Commerce and is on executive bodies of other reputed trade organizations.</p> <p><b>Passport No:</b> Z2218429  <b>Voter ID :</b> XYR0375238</p>

<p><b>Mr. Rajendra Chamaria</b></p> 	<p>Mr. Rajendra Chamaria, 59 years, is a Commerce graduate with honours from Assam. He has successfully managed and grew the family timber business, and thereafter, he promoted Donyolo Udyog Limited which is engaged in the business of manufacturing of pre-stressed concrete sleepers for railways. He also promoted Barak Valley Cements Ltd. which set up a cement plant in Badarpur, Assam. Thereafter, he decided to set up a bigger plant in the State of Meghalaya and this led to the beginning of Star Cement. Today Star Cement is the largest cement plant in the North East having an installed capacity of approx. 3.7 MTPA.</p> <p>He is having good inter-personal skills, which is the key feature of his personality. Besides emphasizing on growth and profitability aspects, he lays equal stress on social, ethical and environmental impacts. He has been crowned with the prestigious Udyog Ratna Award and Life Time Achievement Award for Excellence in Productivity, Quality, Innovation &amp; Management by the Institute of Economic Studies, New Delhi, International Intellectual Achievement Award for Industry Development &amp; Industrial Services Excellence Award for outstanding individual achievements &amp; distinguished services to the nation by Global Achievers Foundation, New Delhi and Golden Citizen of India Award by National &amp; International Compendium New Delhi.</p> <p>He has an excellent grasp on all statutory laws related to an industry e.g. labour laws, company laws, environmental &amp; forest laws etc. Although he has a commercial background but he is equally strong in all technical issues such as production, quality, finance etc. that is how he is successfully controlling the entire production, mining etc. and overall management of the businesses.</p> <p><b>Passport No:</b> Z2068709 <b>Voter ID :</b> JBJ0607309</p>
---	--

**Board of Directors of the Company**

Name & DIN of the Director	Address	Designation	Date of Appointment	Directorship in other Companies/Bodies Corporate
Mr. Sajjan Bhajanka  DIN: 00246043	15, Belvedere Road, Kolkata, 700027, West Bengal, India	Chairman & Managing Director	16/11/2002	<ol style="list-style-type: none"> <li>1. Century Plyboards (India) Ltd.</li> <li>2. Shyam Century Ferrous Ltd.</li> <li>3. Emami Ltd.</li> <li>4. Pacific Plywoods Pvt. Ltd.</li> <li>5. Century MDF Ltd.</li> <li>6. Meghalaya Power Ltd.</li> <li>7. Makui Properties Pvt. Ltd.</li> <li>8. Shyam Century Multi Projects Pvt. Ltd.</li> <li>9. Fine Infraprojects Pvt. Ltd.</li> <li>10. Sri Ram Merchants Pvt. Ltd.</li> <li>11. Sri Ram Vanijya Pvt. Ltd.</li> <li>12. Star Cement Meghalaya Ltd.</li> </ol>
Mr. Rajendra Chamaria  DIN: 00246171	26/53, Punjabi Bagh West New Delhi-110026.	Vice-Chairman & Managing Director	02/11/2001	<ol style="list-style-type: none"> <li>1. Dony Polo Udyog Ltd.</li> <li>2. Steer Consultancy Private Ltd.</li> <li>3. Star Cement Meghalaya Ltd.</li> </ol>

Name & DIN of the Director	Address	Designation	Date of Appointment	Directorship in other Companies/Bodies Corporate
Mr. Sanjay Agarwal DIN : 00246132	4A, Ashoka Road Kolkata - 700027	Managing Director	16/11/2002	1. Century Plyboards (India) Ltd. 2. Pacific Plywoods Pvt. Ltd. 3. Sumangal Business Pvt. Ltd. 4. Century Coats Ltd. 5. Sumangal International Pvt. Ltd. 6. Star Cement Meghalaya Ltd. 7. Auroville Investments Pvt. Ltd. 8. Ranisati Vihar Pvt. Ltd. 9. Century Infotech Ltd. 10. Indian Chamber of Commerce Calcutta. 11. The Bengal Rowing Club.
Mr. Manindra Nath Banerjee DIN : 00312918	124, Jodhpur Park Kolkata- 700068.	Independent Director	15/07/2014	1. Century Plyboards (India) Ltd. 2. Skipper Ltd. 3. Meghalaya Power Ltd.
Mr. Mangilal Jain DIN: 00353075	37b, Garcha Road Calcutta 700019.	Independent Director	20/12/2006	1. Century Plyboards (India) Ltd. 2. Zenith Exports Ltd. 3. Shyam Century Ferrous Ltd. 4. Auro Sundram Ply and Door Pvt. Ltd. 5. Megha Technical and Engineers Pvt. Ltd. 6. Ne Hills Hydro Ltd. 7. Meghalaya Power Ltd. 8. Star Cement Meghalaya Ltd.
Mr. Pankaj Kejriwal DIN: 00383635	A-2/62, 6th Floor Arbindo Marg, Azad Apartment, Hauz Khas, Delhi - 110016	Non-Executive Non-Independent Director	26/03/2003	1. Megha Technical and Engineers Pvt. Ltd. 2. Star Cement Meghalaya Ltd.
Mr. Prem Kumar Bhajanka DIN : 00591512	Makum Road Tinsukia - 786146	Non-Executive Non-Independent Director	16/11/2002	1. Century Plyboards (India) Ltd. 2. Namchic Tea Estate Pvt. Ltd. 3. Lal Pahar Tea Estate Pvt. Ltd. 4. Century Panels Pvt. Ltd. 5. Auro Sundram Ply and Door Pvt. Ltd. 6. Profound Cement Works Ltd. 7. Meghalaya Power Ltd. 8. Star Cement Meghalaya Ltd.
Mr. Santanu Ray DIN: 00642736	P-14, Block-B, Bangur Avenue, Kolkata - 700055	Independent Director	08/04/2017	1. Century Plyboards (India) Ltd. 2. Shyam Century Ferrous Ltd. 3. Kariwala Industries Ltd. 4. Megha Technical and Engineers Pvt. Ltd. 5. Star Cement Meghalaya Ltd.
Mrs. Plistina Dkhar DIN: 01375361	2 Mawpon, Vill- Mawpon, Ps: Nongstoin District: West Khasi Hills Nongstoin, Meghalaya - 793119	Independent Director	08/04/2017	1. Shyam Century Ferrous Ltd. 2. Riango Veneers Private Ltd. 3. Century Plyboards (Meghalaya) Ltd. 4. Megha Bidyut Private Ltd.

Name & DIN of the Director	Address	Designation	Date of Appointment	Directorship in other Companies/Bodies Corporate
Mrs. Ibaridor Katherine War DIN: 03107920	131 Dkhiah East (Rymbai Dolloiship) Dkhiah Jaintia Hills, Meghalaya 793200	Independent Director	08/04/2017	NIL

**Brief Profile of Directors:**

**Mr. Sajjan Bhajanka**

Mr. Sajjan Bhajanka, 65 years, is a commerce graduate having 38 years of experience in plywood, ferro-silicon and cement industries. He is presently Chairman and Managing Director of Century Plyboards (India) Ltd and Star Cement Limited.

Mr. Sajjan Bhajanka is responsible for financial management of the group. Mr. Bhajanka is a Director of Star Cement Meghalaya Ltd., Meghalaya Power Ltd., Century MDF Ltd, Emami Ltd. to name a few.

Mr. Bhajanka is associated with various economic, commercial and social organizations. He is President of Federation of Indian Plywood & Panel Industry (FIPPI) and All India Veneer Manufacturers Association. He is a governing body member of the Indian Plywood Industries Research & Training Institute (IPIRTI), Bangalore (Autonomous body of the Ministry of Environment & Forests, Govt. of India) and is also the Chairman of Research Advisory Committee of IPIRTI. He is considered as an Icon of Indian Plywood industry. He is also the past President of Bharat Chamber of Commerce. In addition to business activities, he also has keen interest in social activities. He was national President of Friends of Tribal Society, an NGO running over 50,000 one-teacher schools in tribal belts of India. He is a trustee of Kalyan Bharti Trust which has set up 'The Heritage School' and 'Heritage Institute of Technology' at Kolkata.

**Mr. Rajendra Chamaria**

Mr. Rajendra Chamaria, 59 years, is a Commerce graduate with honours from Assam. He has successfully managed and grew the family timber business, and thereafter, he promoted Donypolo Udyog Limited which is engaged in the business of manufacturing of pre-stressed concrete sleepers for railways. He also promoted Barak Valley Cements Ltd. which set up a cement plant in Badarpur, Assam. Thereafter, he decided to set up a bigger plant in the State of Meghalaya and this led to the beginning of Star Cement. Today Star Cement is the largest cement plant in the North East having an installed capacity of approx. 3.7 MTPA.

He is having good inter-personal skills, which is the key feature of his personality. Besides emphasizing on growth and profitability aspects, he lays equal stress on social, ethical and environmental impacts. He has been crowned with the prestigious Udyog Ratna Award and Life Time Achievement Award for Excellence in Productivity, Quality, Innovation & Management by the Institute of Economic Studies, New Delhi, International Intellectual Achievement Award for Industry Development & Industrial Services Excellence Award for outstanding individual achievements & distinguished services to the nation by Global Achievers Foundation, New Delhi and Golden Citizen of India Award by National & International Compendium New Delhi.

He has an excellent grasp on all statutory laws related to an industry e.g. labour laws, company laws, environmental & forest laws etc. Although he has a commercial background but he is equally strong in all technical issues such as production, quality, finance etc. that is how he is successfully controlling the entire production, mining etc. and overall management of the businesses.

**Mr. Prem Kumar Bhajanka**

Mr. Prem Kumar Bhajanka, 59 years, is a commerce graduate. He has an experience of over 38 years in plywood industry and had established two plywood units Changlang Plywoods Pvt. Ltd. and Cent Ply Pvt. Ltd. in the North-east, besides being the promoter of another plywood unit Century Panels Pvt. Ltd. in Haryana. He is presently Managing Director of Century Plyboards (India) Ltd. and Star Cement Meghalaya Ltd. Mr. Bhajanka has also been instrumental in establishing Star Cement Limited, one of the biggest cement plants in North-east.

**Mr. Sanjay Agarwal**

Mr. Sanjay Agarwal, 56 years, is a commerce graduate having 29 years of experience in various fields. He is the Managing Director & a Promoter Director of Century Plyboards (India) Ltd and Star Cement Limited. He is the driving



force behind the successful making of 'Star Cement' Brand. He is looking after Sales, Marketing, IT& HR activities.

Mr. Sanjay Agarwal has been actively involved in several socio-cultural activities. He had served as President of Marwari Yuva Manch. He is the promoter trustee of Kalyan Bharti Trust which has set up 'The Heritage School' and 'Heritage Institute of Technology' at Kolkata. He is also the past President of Merchants Chamber of Commerce and is on executive bodies of other reputed trade organizations.

**Mr. Pankaj Kejriwal**

Mr. Pankaj Kejriwal, 45 years, is a Chemical Engineer by profession from UDCT, Mumbai. He started his career with Technimont ICB, Mumbai, a leading consultancy firm for chemical industries. He then joined as Executive Director in Avanti Ampoules Pvt. Ltd., which was engaged in the business of manufacturing glass ampoules for all the major pharmaceutical companies of the country. In 1999 he joined Barak Valley Cements Ltd., a Rotary Kiln Cement Plant situated at Badarpur Ghat, Dist. Karim Ganj, Assam. Since 2002, he is associated with Star Cement Ltd. as a Director and played a major role in conceptualizing, erection and commissioning of the plant in a record time of 18 months. He has made a significant contribution to the company in achieving higher outputs, one of the best in industry production & power efficiencies and making it the largest manufacturer of cement in the entire North East.

**Mr. Manindra Nath Banerjee**

Mr. Manindra Nath Banerjee, 79 years, is an MA and IAS. He is having substantial administrative experience in various Government Departments. He is an Independent Director on the Board of the Company as well on the Board of several other Companies like Skipper Limited, Century Plyboards (India) Limited and Meghalaya Power Limited.

**Mr. Mangilal Jain**

Mr. Mangilal Jain, 86 years, is a Commerce Graduate and Chartered Accountant. He has also done Hindi Sahitya Visharad from Hindi Sahitya Sammelan, Allahabad. He had served as a top executive in various companies including J.K. Steel & Industries Ltd., Hindustan Gas & Industries Ltd., Jayashree Textiles & Industries Ltd., Madhya Bharat Papers Ltd., Emami Paper Mills Ltd., Gulmohar Paper Ltd., Emami Ltd., and Advance Medicare & Research Institute Ltd. Besides Star Cement Ltd., Mr. Mangi Lal Jain is also an independent Director on the Board of several other companies like Century Plyboards (India) Ltd., Megha Technical & Engineers Pvt. Ltd., Auro Sundram Ply & Doors Pvt. Ltd., Star Cement Meghalaya Ltd., Meghalaya Power Ltd., NE Hills Hydro Ltd. and Zenith Exports Ltd.

Mr. Mangilal Jain is actively associated with several social service organizations like Rotary club of Serampore, World Community Service Committee of Rotary District, Bhartiya Vanvasi Kalyan Ashram, Friends of Tribals Society, Ekal Vidyalya Foundation of India, Vanbandhu Parishad Nyas, Ekal Abhiyan Trust and Ekal Sansthan.

**Mr. Santanu Ray**

Mr. Santanu Ray, 70 years is a Chartered Accountant having worked as a Manager and Consultant with Tata Steel, Avantis Pharma in France, B.K. Birla Group of Companies, Zyduz Cadila and B. P. Poddar Group. Mr. Ray has vast experience in the field of research and education and has been the Chief Mentor at various business schools like B. P. Poddar Institute of Management & Technology, Bengal Institute of Business Studies, NSHM Knowledge Campus and ICFAI Business School. He is also a Director of Century Plyboards (India) Ltd., Megha Technical & Engineers Pvt. Ltd. and Star Cement Meghalaya Ltd.

Mr. Santanu Ray has also held honorary positions with Association of Indian Management Schools, Women Empowerment Sub-committee, Confederation of Indian Industry, Education sub-committee, Bengal Chamber of Commerce & Industry and Technical Education sub-committee. Mr. Ray has also come out with several books, research papers, case studies and articles which have received acclamations both in India and abroad.

**Mrs. Plistina Dkhar**

Mrs. Plistina Dkhar, 60 years, is an undergraduate. She has an experience of over 31 years in administration and management and has been associated with various companies.

**Mrs. Ibaridor Katherine War**

Mrs. Ibaridor Katherine War, 41 years, is the Local Director on the Board of Directors of the Company. She is a well-known lady in Lumshnong, where the manufacturing plant of the Company is situated.

## **Corporate Governance**

Our Company is in full compliance with the provisions relating to Corporate Governance as contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximise value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Our Company is committed to the adoption of and adherence to the Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. Our Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company works with the mission to attain global eminence through quality leadership and vision to raise the bar in line with the global practices, create customer value and enhance shareholder value. Our Company complies with the Corporate Governance Code enshrined in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Board of Directors****Composition of Board**

The Board of Directors comprises of five Independent Directors, two Non-Executive Non-Independent Directors and three Executive Directors. The composition of the Board is in conformity with the provisions relating to Corporate Governance as contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) and the provisions of the Companies Act, 2013. Further, in compliance with the Companies Act and the SEBI Listing Regulations, we have a woman director on our Board. The Board of Directors comprises of:

<b>Name</b>	<b>Category</b>	<b>Terms of Office</b>
Mr. Sajjan Bhajanka	Executive Director	Not Liable to retirement by rotation
Mr. Rajendra Chamaria	Executive Director	Liable to retirement by rotation
Mr. Sanjay Agarwal	Executive Director	Not Liable to retirement by rotation
Mr. Mangilal Jain	Independent Director	Not liable to retirement by rotation
Mr. Manindra Nath Banerjee	Independent Director	Not liable to retirement by rotation
Mr. Pankaj Kejriwal	Non-Executive Non-Independent Director	Liable to retirement by rotation
Mr. Prem Kumar Bhajanka	Non Executive Non-Independent Director	Liable to retirement by rotation
Mr. Santanu Ray	Independent Director	Not liable to retirement by rotation
Mrs. Plistina Dkhar	Independent Director	Not liable to retirement by rotation
Mrs. Ibaridor Katherine War	Independent Director	Not liable to retirement by rotation

**Our company has constituted the following Committees of the Board:**

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

**Audit Committee**

The Audit Committee of our Board has been constituted in accordance with the applicable provisions of the Companies Act and SEBI Listing Regulations.

The Audit Committee comprises of:

<b>Member of the Audit Committee</b>	<b>Designation</b>
Mr. Mangilal Jain	Chairman
Mr. Sajjan Bhajanka	Member
Mr. Manindra Nath Banerjee	Member

**Terms of reference of Audit Committee**

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations and its terms of reference include the following:

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Providing recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board of Director for approval;
  - 6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - 7) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
  - 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered by the Company subject to such conditions as may be prescribed;
  - 9) Scrutiny of inter-corporate loans and investments;
  - 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - 11) Evaluation of internal financial controls and risk management systems;
  - 12) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  - 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 14) Discussing with internal auditors on any significant findings and follow up there on;
  - 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Director;
  - 16) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 17) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
  - 18) Reviewing the functioning of the whistle blower/vigil mechanism;
  - 19) Approving the appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and
  - 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The powers of the Audit Committee shall include the following:**

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice and have full access to information contained in the records of the Company; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**The audit committee shall mandatorily review the following information:**

- a. Management’s discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor; and
- f. Statement of deviations, if any:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

**Nomination & Remuneration Committee:**

The Nomination & Remuneration Committee comprises of:

<b>Member of the Nomination &amp; Remuneration Committee</b>	<b>Category</b>
Mr. Mangilal Jain	Chairman
Mr. Manindra Nath Banerjee	Member
Mr. Prem Kumar Bhajanka	Member

The terms of reference, role and scope of the Nomination and Remuneration Committee are in line with those prescribed by section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The role and scope of the Committee includes, inter alia, to identify persons who are qualified to become directors and who may be appointed in senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The terms of reference of the Nomination & Remuneration Committee shall be as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of the performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in

accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of:

<b>Member of the Stakeholders' Relationship Committee</b>	<b>Designation</b>
Mr. Manindra Nath Banerjee	Chairman
Mr. Sajjan Bhajanka	Member
Mr. Sanjay Agarwal	Member

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee shall, inter alia, include:

1. Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
2. Consider and approve all requests from shareholders regarding transfer & transmission of shares, issue of duplicate share certificate, consolidation of shares, demat, remat, split & folio consolidation etc.
3. Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
4. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of:

<b>Member of the Corporate Social Responsibility Committee</b>	<b>Designation</b>
Mr. Sanjay Agarwal	Chairman
Mr. Sajjan Bhajanka	Member
Mr. Mangilal Jain	Member

The terms of reference of the Corporate Social Responsibility Committee shall, inter alia, include:

1. The committee shall formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. The Committee shall recommend the amount of expenditure to be incurred on the above CSR activities; and

Monitor the said CSR policy from time to time.

### Key Management Personnel

Presently, the Company has the following Key Management Personnel other than our Managing Directors:

<b>Name</b>	<b>Designation</b>	<b>Qualification</b>	<b>Area of expertise</b>	<b>Associated with the Company since</b>
Mr. Sanjay Kumar Gupta	CEO	CA, CWA	Management, Finance and Operations	10/03/2003
Mr. Dilip Kumar Agarwal	CFO	CA	Accounting and Taxation	18/11/2009
Mr. Manoj Agarwal	Company Secretary	CA, CS, LLB	Accounts, Legal and Compliance	27/07/2009

**Family relationship of Directors with Key Management Personnel**

None of our key management personnel as disclosed above are related to the Directors of our Company.

**Shareholding of Key Management Personnel**

The shareholding of our Directors and key management personnel in our Company is as follows:

<b>Name</b>	<b>Designation</b>	<b>No. of shares held</b>
Mr. Sajjan Bhajanka	Chairman & Managing Director	5,75,21,547
Mr. Rajendra Chamaria	Vice-Chairman & Managing Director	2,49,87,055
Mr. Sanjay Agarwal	Managing Director	2,44,45,821
Mr. Mangilal Jain	Independent Director	4655
Mr. Manindra Nath Banerjee	Independent Director	-
Mr. Pankaj Kejriwal	Non Executive Non-Independent Director	4522
Mr. Prem Kumar Bhajanka	Non Executive Non-Independent Director	4,13,65,053
Mr. Santanu Ray	Independent Director	-
Mrs. Plistina Dkhar	Independent Director	997
Mr. Ibaridor Katherine War	Independent Director	Nil
Mr. Sanjay Kumar Gupta	CEO	47,879
Mr. Dilip Kumar Agarwal*	CFO	9,160
Mr. Manoj Agarwal	Company Secretary	7,037

\*Includes 3641 shares held as Trustee of Fractional shares issued pursuant to Scheme of Amalgamation.

**Remuneration to our Executive Directors and Key Management Personnel**

Except the normal remuneration for services rendered as our Directors, officers or employees, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the officers.

None of our Directors or Key Management Personnel has entered into service contracts with our Company or the Subsidiaries providing for benefits or payments upon termination of employment.

**Remuneration to our Non-Executive Directors**

Non-Executive Directors of the Company are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. The Board of Directors has approved the payment of Rs.5,000/-/- as sitting fee for every meeting of the Board of Directors attended and Rs.2,500/- for Committees Meetings (viz. Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee and Corporate Social Responsibility Committee).

**CAPITAL STRUCTURE****Share Capital Pre-Scheme of Amalgamation:**

(₹ in Lacs)

	<b>Amount</b>
<b>Authorised</b>	
60,00,00,000 Equity Shares of ₹ 1/- each	6000.00
<b>Issued &amp; Subscribed</b>	
41,92,13,920 Equity Shares of ₹ 1/- each fully paid-up	4,192.14
<b>Paid-up</b>	
41,92,13,920 Equity Shares of ₹ 1/- each fully paid-up	4,192.14

**Share Capital Post-Scheme of Amalgamation:**

(₹ in Lacs)

	<b>Amount</b>
<b>Authorised</b>	8,300.00
83,00,00,000 Equity Shares of ₹ 1/- each	
<b>Issued &amp; Subscribed</b>	
41,92,28,997 Equity Shares of ₹ 1/- each fully paid-up	4,192.29
<b>Paid-up</b>	
41,92,28,997 Equity Shares of ₹ 1/- each fully paid-up	4,192.29

**Equity Build up of the Company**

<b>Date of Allotment</b>	<b>No. of Shares</b>	<b>Cumulative No. of Shares</b>	<b>Face Value (₹)</b>	<b>Issue Price (₹)</b>	<b>Cumulative Paid-up Capital (₹)</b>	<b>Nature of Allotment/ Remarks</b>	<b>Consideration</b>
02/11/2001	70,000	70,000	10/-	10/-	7,00,000	On Incorporation	Cash
31/01/2003	38,50,000	39,20,000	10/-	10/-	3,92,00,000	Preferential Issue	Cash
15/09/2003	12,510,000	16,430,000	10/-	10/-	16,43,00,000	Preferential Issue	Cash
31/03/2004	10,852,500	27,282,500	10/-	10/-	27,28,25,000	Preferential Issue	Cash
25/11/2004	5,227,500	32,510,000	10/-	10/-	32,51,00,000	Preferential Issue	Cash
23/02/2006	6,000,000	38,510,000	10/-	10/-	38,51,00,000	Preferential Issue	Cash
31/03/2007	3,411,392	41,921,392	10/-	10/-	41,92,13,920	Preferential Issue	Cash
28/03/2016	4,19,213,920	4,19,213,920	1/-	-	41,92,13,920	Split of Shares from Rs. 10/- each to Re. 1/- each	NA
April 8, 2017	2,954,90,077	41,92,28,997	1/-	-	41,92,28,997*	Pursuant to the Scheme of Amalgamation	NA

\* 29,54,75,000 shares cancelled subsequently pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Guwahati Bench, vide its order dated February 7, 2017.

**Shareholding pattern of the Company before and after the Scheme of Amalgamation:****Shareholding pattern before the scheme: As on 03/04/2017**



**Table I - Summary Statement holding of specified securities as on 03/04/2017**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV) + (V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) +(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg:x	Class eg:y	Total								
(A)	Promoter & Promoter group	23	419113920	0	0	419113920	99.9761	419113920	0	419113920	99.9761	0	99.9761	0	0.0000	0	0.0000	419113920
(B)	Public	1	100000	0	0	100000	0.0239	100000	0	100000	0.0239	0	0.0239	0	0.0000	NA	-	0
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	24	419213920	0	0	419213920	100.00	419213920	0	419213920	100.00	0	100.00	0				419113920

Table II - Statement Showing shareholding pattern of the Promoter and Promoter Group as on 03/04/2017

(1)	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)	
									Class	x	Class y									Total
(a)	Indian																			
	Individuals/Hindu undivided Family		22	123638920	-	-	123638920	29.49	123638920	0	123638920	29.49	0	29.49	0	-	-	-	-	123638920
	Sajjan Bhajanka	ACAPB0486F	1	37716950	-	-	37716950	9.00	37716950	0	37716950	9.00	0	9.00	0	-	-	-	-	37716950
	Rajendra Chamaria	ABPPC5410Q	1	21787055	-	-	21787055	5.20	21787055	0	21787055	5.20	0	5.20	0	-	-	-	-	21787055
	Sachin Chamaria	AEWPC9016N	1	10725000	-	-	10725000	2.56	10725000	0	10725000	2.56	0	2.56	0	-	-	-	-	10725000
	Rahul Chamaria	AEWPC9017P	1	7925000	-	-	7925000	1.89	7925000	0	7925000	1.89	0	1.89	0	-	-	-	-	7925000
	Kamakhya Chamaria	ABTPC7503L	1	5349750	-	-	5349750	1.28	5349750	0	5349750	1.28	0	1.28	0	-	-	-	-	5349750
	Laxmi Chamaria	ABTPC7502M	1	4280000	-	-	4280000	1.02	4280000	0	4280000	1.02	0	1.02	0	-	-	-	-	4280000
	Prahlad Rai Chamaria	AAGHP8263A	1	4250000	-	-	4250000	1.01	4250000	0	4250000	1.01	0	1.01	0	-	-	-	-	4250000
	Prem Kumar Bhajanka	ACAPB4176A	1	4198410	-	-	4198410	1.00	4198410	0	4198410	1.00	0	1.00	0	-	-	-	-	4198410
	Renu Chamaria	ABPPC5405K	1	4089894	-	-	4089894	0.98	4089894	0	4089894	0.98	0	0.98	0	-	-	-	-	4089894
	Kamakhya Chamaria	AAHHH2997H	1	3300000	-	-	3300000	0.79	3300000	0	3300000	0.79	0	0.79	0	-	-	-	-	3300000
	Rajendra Chamaria	AAHHR8713A	1	3200000	-	-	3200000	0.76	3200000	0	3200000	0.76	0	0.76	0	-	-	-	-	3200000
	Amritansh Chamaria	AEWPC9018C	1	3200000	-	-	3200000	0.76	3200000	0	3200000	0.76	0	0.76	0	-	-	-	-	3200000
	Kailash Prasad Chamaria	ABTPC7504P	1	3072250	-	-	3072250	0.73	3072250	0	3072250	0.73	0	0.73	0	-	-	-	-	3072250
	Kailash Prasad Chamaria	AADHG4084R	1	2900000	-	-	2900000	0.69	2900000	0	2900000	0.69	0	0.69	0	-	-	-	-	2900000
	Gayatri Chamaria	ABTPC7508B	1	2570000	-	-	2570000	0.61	2570000	0	2570000	0.61	0	0.61	0	-	-	-	-	2570000
	Sanjay Agarwal	ADDA5363J	1	2091920	-	-	2091920	0.50	2091920	0	2091920	0.50	0	0.50	0	-	-	-	-	2091920
	Amit Agarwal	ADLPA5157G	1	1375000	-	-	1375000	0.33	1375000	0	1375000	0.33	0	0.33	0	-	-	-	-	1375000
	Vinay Chamaria	AADHV7129J	1	425000	-	-	425000	0.10	425000	0	425000	0.10	0	0.10	0	-	-	-	-	425000
	Prahlad Rai Chamaria	AADHG4085Q	1	400000	-	-	400000	0.10	400000	0	400000	0.10	0	0.10	0	-	-	-	-	400000
	Prahlad Rai Chamaria	ABYPC6324L	1	318085	-	-	318085	0.08	318085	0	318085	0.08	0	0.08	0	-	-	-	-	318085
	Ratna Chamaira	ABPPC5411R	1	239606	-	-	239606	0.06	239606	0	239606	0.06	0	0.06	0	-	-	-	-	239606
	Rishi Raj shah	AHPPS4668E	1	225000	-	-	225000	0.05	225000	0	225000	0.05	0	0.05	0	-	-	-	-	225000
	Sajjan Bhajanka	ACAPB0486F	1	37716950	-	-	37716950	9.00	37716950	0	37716950	9.00	0	9.00	0	-	-	-	-	37716950
(b)	Central Governments/ State Governments																			
(c)	Financial Institutions/ Bank Name																			
(d)	Any Other-Body		1	295475000	-	-	295475000	70.48	295475000	0	295475000	70.48	0	70.48	0	-	-	-	-	295475000

	Corporates																		
	Star Ferro And Cement Ltd	AAPCS5145J	1	295475000	-	-	295475000	70.48	295475000	0	295475000	70.48	0	70.48	0	-	-	-	295475000
	Sub Total(A)(1)		23	419113920	-	-	419113920	99.98	419113920	0	419113920	99.98	0	99.98	0	-	-	-	419113920
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)																		
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		23	419113920	-	-	419113920	99.98	419113920	0	419113920	99.98	0	99.98	0	-	-	-	419113920

Table III - Statement Showing shareholding pattern of the Public shareholder as on 03/04/2017

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(I)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)		
									Class x	Class y									Total
(1)	Institutions																		
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government / State Government(s) / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-Institutions																		
(a)	Individuals-																		
	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs		1	100000	0	0	100000	0.0239	100000	0	100000	0.0239	0	0.0239	0	0.0000	NA	-	0
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other-		1	100000	0	0	100000	0.0239	100000	0	100000	0.0239	0	0.0239	0	0.0000	NA	-	0
	Sub Total(3)		1	100000	0	0	100000	0.0239	100000	0	100000	0.0239	0	0.0239	0	0.0000	NA	-	0
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>		<b>1</b>	<b>100000</b>	<b>0</b>	<b>0</b>	<b>100000</b>	<b>0.0239</b>	<b>100000</b>	<b>0</b>	<b>100000</b>	<b>0.0239</b>	<b>0</b>	<b>0.0239</b>	<b>0</b>	<b>0.0000</b>	<b>NA</b>	<b>-</b>	<b>0</b>

**Table IV - Statement Showing shareholding pattern of the Non Promoter - Non Public shareholder as on 03/04/2017**

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(I)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) as a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
									Class x	Class y	Total								
(1)	Custodian / DR Holder		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Shareholding pattern after the Scheme (as on 08/04/2017):**

**Table I - Summary Statement holding of specified securities as on 08/04/2017**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV) + (V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) +(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class eg:x	Class eg:y	Total								
(A)	Promoter & Promoter group	41	313989506	-	-	313989506	74.8969	313989506	-	313989506	74.8969	-	74.8969	123638920	39.3768	-	-	313989506
(B)	Public	12247	105239491	-	-	105239491	25.1031	105239491	-	105239491	25.1031	-	25.1031	100000	0.0950	-	-	104104413
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	12288	419228997	-	-	419228997	100.0000	419228997	-	419228997	100.00	-	100.0000	123738920	39.4718	-	-	418093919

Table II - Statement Showing shareholding pattern of the Promoter and Promoter Group as on 08/04/2017

(1)	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)	
									Class	System	Total									
(1)	Indian																			
(a)	Individuals/Hindu undivided Family		35	261681831	-	-	261681831	62.42	261681831	-	261681831	62.42	-	62.42	123638920	47.25	-	-	261681831	
	Sajjan Bhajanka	ACAPB0486F	1	57521547	-	-	57521547	13.72	57521547	-	57521547	13.72	-	13.72	37716950	65.57	-	-	57521547	
	Prem Kumar Bhajanka	ACAPB4176A	1	41365053	-	-	41365053	9.87	41365053	-	41365053	9.87	-	9.87	4198410	10.15	-	-	41365053	
	Sanjay Agarwal	ADDPA5363J	1	24445821	-	-	24445821	5.83	24445821	-	24445821	5.83	-	5.83	2091920	8.56	-	-	24445821	
	Rajendra Chamaria	ABPPC5410Q	1	21787055	-	-	21787055	5.20	21787055	-	21787055	5.20	-	5.20	21787055	100.00	-	-	21787055	
	Santosh Bhajanka	ACAPB0470B	1	20015835	-	-	20015835	4.77	20015835	-	20015835	4.77	-	4.77	-	-	-	-	20015835	
	Divya Agarwal	ADDPA5347G	1	19270037	-	-	19270037	4.60	19270037	-	19270037	4.60	-	4.60	-	-	-	-	19270037	
	Sachin Chamaria	AEWPC9016N	1	10725000	-	-	10725000	2.56	10725000	-	10725000	2.56	-	2.56	10725000	100.00	-	-	10725000	
	Rahul Chamaria	AEWPC9017P	1	7925000	-	-	7925000	1.89	7925000	-	7925000	1.89	-	1.89	7925000	100.00	-	-	7925000	
	Kamakhya Chamaria	ABTPC7503L	1	5349750	-	-	5349750	1.28	5349750	-	5349750	1.28	-	1.28	5349750	100.00	-	-	5349750	
	Yash Bhajanka	AERP81843B	1	4448561	-	-	4448561	1.06	4448561	-	4448561	1.06	-	1.06	-	-	-	-	4448561	
	Laxmi Chamaria	ABTPC7502M	1	4280000	-	-	4280000	1.02	4280000	-	4280000	1.02	-	1.02	4280000	100.00	-	-	4280000	
	Prahlad Rai Chamaria	AAGHP8263A	1	4250000	-	-	4250000	1.01	4250000	-	4250000	1.01	-	1.01	4250000	100.00	-	-	4250000	
	Renu Chamaria	ABPPC5405K	1	4089894	-	-	4089894	0.98	4089894	-	4089894	0.98	-	0.98	4089894	100.00	-	-	4089894	
	Kamakhya Chamaria	AACHH2997H	1	3300000	-	-	3300000	0.79	3300000	-	3300000	0.79	-	0.79	3300000	100.00	-	-	3300000	
	Hari Prasad Agarwal	ADBPA7649D	1	3239560	-	-	3239560	0.77	3239560	-	3239560	0.77	-	0.77	-	-	-	-	3239560	
	Amritansh Chamaria	AEWPC9018C	1	3200000	-	-	3200000	0.76	3200000	-	3200000	0.76	-	0.76	3200000	100.00	-	-	3200000	
	Rajendra Chamaria	AAHHR8713A	1	3200000	-	-	3200000	0.76	3200000	-	3200000	0.76	-	0.76	3200000	100.00	-	-	3200000	
	Kailash Prasad Chamaria	ABTPC7504P	1	3072250	-	-	3072250	0.73	3072250	-	3072250	0.73	-	0.73	3072250	100.00	-	-	3072250	
	Kailash Prasad Chamaria	AADHG4084R	1	2900000	-	-	2900000	0.69	2900000	-	2900000	0.69	-	0.69	2900000	100.00	-	-	2900000	
	Gayatri Chamaria	ABTPC7508B	1	2570000	-	-	2570000	0.61	2570000	-	2570000	0.61	-	0.61	2570000	100.00	-	-	2570000	
	Bhawna Agarwal	ACIPA3280E	1	2356347	-	-	2356347	0.56	2356347	-	2356347	0.56	-	0.56	-	-	-	-	2356347	
	Sumitra Devi Agarwal	ACXPA6197K	1	2229412	-	-	2229412	0.53	2229412	-	2229412	0.53	-	0.53	-	-	-	-	2229412	
	Hari Prasad Agarwal	AAAHH9755D	1	2036216	-	-	2036216	0.49	2036216	-	2036216	0.49	-	0.49	-	-	-	-	2036216	
	Amit Agarwal	ADLPA5157G	1	1375000	-	-	1375000	0.33	1375000	-	1375000	0.33	-	0.33	1375000	100.00	-	-	1375000	
	Sonu Bhajanka	ADBPB8611J	1	1369913	-	-	1369913	0.33	1369913	-	1369913	0.33	-	0.33	0	-	-	-	1369913	
	Payal Agrawal	ADBPB8610K	1	1330000	-	-	1330000	0.32	1330000	-	1330000	0.32	-	0.32	0	-	-	-	1330000	
	Shradha Agarwal	AEYPA9535J	1	1079720	-	-	1079720	0.26	1079720	-	1079720	0.26	-	0.26	0	-	-	-	1079720	
	Rajesh Kumar Agarwal	ACQPA7715A	1	991149	-	-	991149	0.24	991149	-	991149	0.24	-	0.24	0	-	-	-	991149	
	Vinay Chamaria	AADHV7129J	1	425000	-	-	425000	0.10	425000	-	425000	0.10	-	0.10	425000	100.00	-	-	425000	

	Prahlad Rai Chamaria	AADHG4085Q	1	400000	-	-	400000	0.10	400000	-	400000	0.10	-	0.10	400000	100.00	-	-	400000
	Prahlad Rai Chamaria	ABYPC6324L	1	318085	-	-	318085	0.08	318085	-	318085	0.08	-	0.08	318085	100.00	-	-	318085
	Ratna Chamaira	ABPPC5411R	1	239606	-	-	239606	0.06	239606	-	239606	0.06	-	0.06	239606	100.00	-	-	239606
	Rishi Raj Shah	AHPPS4668E	1	225000	-	-	225000	0.05	225000	-	225000	0.05	-	0.05	225000	100.00	-	-	225000
	Nancy Bhajanka	ALHPB5022B	1	187530	-	-	187530	0.04	187530	-	187530	0.04	-	0.04	-	-	-	-	187530
	Keshav Bhajanka	ANHPB7251L	1	163490	-	-	163490	0.04	163490	-	163490	0.04	-	0.04	-	-	-	-	163490
(b)	Central Governments/ State Governments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Bank Name		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other-Body Corporates		6	52307675	-	-	52307675	12.48	52307675	-	52307675	12.48	-	12.48	-	-	-	-	52307675
	Sriram Vanijya Pvt. Ltd.	AAECS4027N	1	11307899	-	-	11307899	2.70	11307899	-	11307899	2.70	-	2.70	-	-	-	-	11307899
	Brijdham Merchants Pvt. Ltd.	AACB0939K	1	10299506	-	-	10299506	2.46	10299506	-	10299506	2.46	-	2.46	-	-	-	-	10299506
	Sumangal International Pvt. Ltd.	AADCS6896G	1	10196844	-	-	10196844	2.43	10196844	-	10196844	2.43	-	2.43	-	-	-	-	10196844
	Sumangal Business Pvt. Ltd.	AAECS4489C	1	9085549	-	-	9085549	2.17	9085549	-	9085549	2.17	-	2.17	-	-	-	-	9085549
	Sriram Merchants Pvt. Ltd.	AAECS5033N	1	8964027	-	-	8964027	2.14	8964027	-	8964027	2.14	-	2.14	-	-	-	-	8964027
	Auroville Investments Pvt Ltd	AACCA3690B	1	2453850	-	-	2453850	0.59	2453850	-	2453850	0.59	-	0.59	-	-	-	-	2453850
	Sub Total(A)(1)		41	313989506	-	-	313989506	74.90	313989506	-	313989506	74.90	-	74.90	123638920	39.38	-	-	313989506
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)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		41	313989506	-	-	313989506	74.90	313989506	-	313989506	74.90	-	74.90	123638920	39.38	-	-	313989506



Table III - Statement Showing shareholding pattern of the Public shareholder as on 08/04/2017

Category & Name of the Shareholders (I)	PAN (II)	Nos. of share holders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(I+V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
								Class x	Class y	Total								
(1) Institutions																		
(a) Mutual Funds / UTI	-	7	5042059	-	-	5042059	1.2027	5042059	-	5042059	1.2027	-	1.2027	-	-	NA	-	5042059
Sundaram Mutual Fund A/C Sundaram Infrastructure Advantage Fund	AAATS 2554B	7	5042059	-	-	5042059	1.2027	5042059	-	5042059	1.2027	-	1.2027	-	0.0000	NA	-	5042059
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Foreign Portfolio Investors	-	7	365389	-	-	365389	0.0872	365389	-	365389	0.0872	-	0.0872	-	-	NA	-	365389
(f) Financial Institutions / Banks	-	1	2287	-	-	2287	0.0005	2287	-	2287	0.0005	-	0.0005	-	-	NA	-	2287
(g) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h) Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	-	15	5409735	-	-	5409735	1.2904	5409735	-	5409735	1.2904	-	1.2904	-	0.0000	NA	-	5409735
(2) Central Government / State Government(s) / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3) Non-Institutions																		
(a) Individuals-																		
i. Individual shareholders holding nominal share capital upto Rs.2 lakhs		11422	12192074	-	-	12192074	2.9082	12192074	-	12192074	2.9082	-	2.9082	100000	0.8202	NA	-	11082582

	ii.Individual shareholders holding nominal share capital in excess of Rs.2 lakhs																	
		23	65077222	-	-	65077222	15.5231	65077222	-	65077222	15.5231	-	15.5231	-	0.0000	NA	-	65077222
	Subham Agarwal	AKDPA 9431A	1	14817793	-	-	14817793	3.53	14817793	-	14817793	3.53	-	3.53	-	0.0000	NA	14817793
	Brij Bhushan Agarwal	AADH B1459B	1	11550886	-	-	11550886	2.76	11550886	-	11550886	2.76	-	2.76	-	0.0000	NA	11550886
	Sheetij Agarwal	AKDPA 9469N	1	10269815	-	-	10269815	2.45	10269815	-	10269815	2.45	-	2.45	-	0.0000	NA	10269815
	Mittu Agarwal	ADAPA 2795B	2	9707651	-	-	9707651	2.32	9707651	-	9707651	2.32	-	2.32	-	0.0000	NA	9707651
	Sumitra Devi Agarwal	AFRPA 7934F	2	5868491	-	-	5868491	1.40	5868491	-	5868491	1.40	-	1.40	-	0.0000	NA	5868491
	Mahabir Prasad Agarwal	AAEH M4050J	1	4865328	-	-	4865328	1.16	4865328	-	4865328	1.16	-	1.16	-	0.0000	NA	4865328
	Subham Agarwal	AKDPA 9431A	1	14817793	-	-	14817793	3.53	14817793	-	14817793	3.53	-	3.53	-	0.0000	NA	14817793
	Brij Bhushan Agarwal	AADH B1459B	1	11550886	-	-	11550886	2.76	11550886	-	11550886	2.76	-	2.76	-	0.0000	NA	11550886
(b)	NBFCs registered with RBI		2	6783	-	-	6783	-	6783	-	6783	-	-	-	-	-	NA	6783
(c)	Employee Trusts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other-																	
	Bodies Corporate		314	21270760	-	-	21270760	5.07	21270760	-	21270760	5.07	-	5.07	-	-	NA	21248815
	Clearing Member		44	640909	-	-	640909	0.15	640909	-	640909	0.15	-	0.15	-	-	NA	640909
	Sub Total(3)		1	100000	-	-	100000	0.02	100000	-	100000	0.02	-	0.02	-	-	NA	-
	Non Resident Individual		418	488743	-	-	488743	0.12	488743	-	488743	0.12	-	0.12	-	-	NA	488743
	Trusts		9	153265	-	-	153265	0.04	153265	-	153265	0.04	-	0.04	-	-	NA	149624
	Sub Total		12232	99829756	0	0	99829756	23.81	99829756	0	99829756	23.81	0	23.81	100000	0.10	NA	98694678
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>		<b>12247</b>	<b>105239491</b>	<b>0</b>	<b>0</b>	<b>105239491</b>	<b>25.10</b>	<b>105239491</b>	<b>0</b>	<b>105239491</b>	<b>25.10</b>	<b>0</b>	<b>25.10</b>	<b>100000</b>	<b>0.10</b>	<b>NA</b>	<b>104104413</b>

**Table IV - Statement Showing shareholding pattern of the Non Promoter - Non Public shareholder as on 08/04/2017**

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(I)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) as a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
									Class x	Class y	Total								
(1)	Custodian / DR Holder		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## **OBJECTS AND RATIONALE OF THE SCHEME**

- a. Star Ferro and Cement Limited (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.
- 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 this 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.

## SCHEME OF AMALGAMATION

The Hon'ble National Company Law Tribunal at Guwahati, vide its Order dated February 7, 2017, has approved the Scheme of Amalgamation of Star Ferro and Cement Limited with Star Cement Limited with effect from April 1, 2016 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956.

The Scheme is operative from the Appointed Date i.e., April 1, 2016. However, it is effective from the date of filing of order of the Hon'ble National Company Law Tribunal in relation to the Scheme along with Form INC 28 with the Registrar of Companies, Shillong, Meghalaya, i.e., February 22, 2017.

**The text of the Scheme of Amalgamation is as under:**

### **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 1<sup>st</sup> August, 2016 is as under:

i. <u>The Transferor Company:</u>	
<u>Authorised Share Capital:</u>	(Rs.)
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. <u>The Transferee Company:</u>	
<u>Authorised Share Capital:</u>	(Rs.)
60,00,00,000 Equity Shares of Re.1/- each	60,00,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
419213,920 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 30<sup>th</sup> 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 TRANSFEE 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' 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.

**STATEMENT OF TAX BENEFITS**

**To,**  
**The Board of Directors**  
Star Cement Limited  
Village : Lumshnong, PO Khaliehriat,  
Dist. East Jaintia Hills,  
Meghalaya - 793210

Dear Sirs,

**Sub: Statement of Possible Tax Benefits available to Star Cement Limited and its shareholders**

We report that the enclosed statement states the possible tax benefits available to Star Cement Limited ("the Company") and to the shareholders of the Company under the Income Tax Act, 1961, as amended by Finance Act, 2016. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives, the Company face in future, the Company may or may not choose to fulfill.

The possible tax benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i) The Company or its shareholders will continue to obtain these benefits in future; or
- ii) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

**For Kailash B. Goel & Co.**  
Firm Regn. No.: 322460E  
Chartered Accountants

**CA Arun Kumar Sharma**  
**(Partner)**  
Membership no: 057329

Place: Kolkata  
Date: 07.04.2017

## STATEMENT OF TAX BENEFITS

### 1. Special Tax Benefits available to the Company under the Income Tax Act, 1961

The Company's unit at Works - Gopinath Bordoloi Road, Village Chamata Pathar, P.O. & P.S. Sonapur, Kamrup, Assam is entitled to Income Tax benefits U/s 80 IE of Income Tax Act 1961 for period of 10 years from A.Y 2013-14

### 2. Special Tax Benefits available to the Shareholders of the Company

Nil

### 3. General Tax Benefits available to the Company under the Income Tax Act, 1961

3.1 As per Section 32AC of the Income Tax Act, 1961, where an assessee, being a company,—

- (a) is engaged in the business of manufacture of an article or thing and
- (b) It has acquired and installed a “new asset”
- (c) invests a sum of more than `25crore in new assets (plant or machinery) as specified in Section 32AC (1A), during the previous year , then the assessee shall be allowed a deduction of a sum equal to 15% of actual cost of such new assets acquired and installed during the previous year . New Asset of an amount exceeding Rs. 25 crores has to be acquired in the previous year. However , installation may be made on or before March 31,2017 to avail the benefit of investment allowance .Where the installation of the new asset is in a year other than the year of acquisition, the deduction under 32AC 91A) shall be allowed in the year in which the new asset is installed. This deduction is available for assessment year 2015- to 2017.However no, deduction shall be allowed under Section 32AC(1A) of the IT Act, if the Company is eligible to claim deduction under Section 32AC(1) of the IT Act.

Further in case the new asset acquired or and installed is transferred by the Company within 5 years from the date of its installation, the amount of deduction allowed under Section 32AC(1)/(1A) [except in connection with amalgamation/demerger] would be deemed to be income under the head ‘profits and gains from business and profession’ of the year in which such new asset is sold or otherwise transferred. This taxability is in addition to the taxability of gains arising on transfer of new asset.

3.2 Under section 32 of the Act, the deduction for depreciation will be available at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patents, trademarks, copy rights, know how, licenses, franchise or any other business or commercial rights of similar nature. In the case of any new machinery or plant which has been acquired and installed after the 31<sup>st</sup> day of March, 2005 the Company engaged in the business of manufacture of production of any article or thing, a further sum equal to twenty percent of the actual cost of such machinery or plant shall be allowed as deduction.

3.3 Income earned by the Company by way of dividend referred to in Section 115-O of the Income Tax Act, 1961 received from domestic companies is exempt from tax under section 10(34) of the Act. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

Any income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the administrator of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

3.4 Section 115BBD of Income-tax Act provides for taxation of gross dividends received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more in nominal value of the equity share capital) at the rate of 15% if such dividend is included in the total income of the Company for the relevant Financial Year.

Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the assessee under the provisions of this Act.

- 3.5 As per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/ redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.
- 3.6 Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Act in accordance with and subject to the conditions and limits as may be specified in notifications.
- 3.7 Long-term capital gain on sale of equity shares or units of an equity oriented mutual fund will be exempt from tax under section 10(38) of the Act provided that the transaction of such sale is chargeable to Securities Transaction Tax (“STT”). However, when the company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the minimum alternate tax under section 115 JB.
- 3.8 In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into reduced taxable income.
- 3.9 In accordance with the provisions of section 112 of the Act, long-term capital gains on transfer of capital assets other than bonds or debentures, transfer of which is not subject to STT, is chargeable to tax at the rate of 20% plus applicable surcharge, education cess and secondary & higher education cess (‘Education Cess’).

However, where tax on long term capital gains arising on sale of listed securities or unit of mutual fund specified in section 10(23D) of the Act, during the period beginning on the 1<sup>st</sup> day of April 2014 and ending on the 10<sup>th</sup> July, 2014, exceeds 10 percent of the amount of the Capital Gains, then such excess shall be ignored for the purpose of computing the tax payable.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains arising from the transfer of any long-term capital asset shall not be taxable, provided that the Company has at any time within a period of six months after the date of such transfer, invested the whole of capital gains in any long-term specified asset.

However, if such long-term specified asset is transferred or converted into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier shall become chargeable to tax as long term capital gains in the year in which such long-term specified asset is transferred or converted into money. Section 54EC also provides for a ceiling of INR 5 million per financial year on investments in such long term specified asset. Further, if only a portion of capital gains is so invested, then the exemption is available proportionately.

For the purpose of section 54EC, long term specified assets means any bond redeemable after three years and issued by:

- i) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988; or
  - ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
- 3.10 Under Section 111A of the Act, short-term capital gain on sale of equity shares or units of an equity oriented mutual fund shall be chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess) provided that transaction of such sale is chargeable to STT.

3.11 According to the provisions of section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax (“MAT”) paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit which can be carried forward is equal to the difference between MAT paid by the Company for one assessment year and tax computed as per normal provisions of the Act for that assessment year. MAT Tax



credit, which can be allowed shall be the difference of the tax paid for any assessment year under Section 115JB(1) and the amount of tax payable as per normal provisions of the Act for that assessment year. MAT credit can be carried forward for the purpose of set off up to 10 years succeeding the year in which the MAT credit is allowable.

3.12 As per Section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive years subject to conditions specified in that section.

Under section 35DD the Indian company is eligible for deduction in respect of expenditure incurred, on or after the 1st day of April, 1999, wholly and exclusively for the purposes of amalgamation or demerger of an undertaking for an amount equal to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the amalgamation or demerger takes place.

3.13 In case of loss under the head “Profit and Gains from Business or Profession” except loss from speculation business, it can be set-off against incomes of other head of sources except income under the head “Income from salary” and the excess remaining loss, if any, after set-off can be carried forward for set-off - against business income of the next eight Assessment Years.

3.14 Under section 32(2) of the Act, the unabsorbed depreciation arising due to absence/ insufficiency of profits or gains chargeable to tax can be carried forward. The amount is allowed to be carried forward and set off for the succeeding years until the amount is exhausted without any time limit.

3.15 As per the provisions of section 80G of the Act, the deduction will be available in respect of donations to various charitable institutions and funds covered under that section, subject to fulfilment of the conditions specified therein.

#### **4. Benefits available to all Shareholders**

4.1 According to the provisions of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by a domestic company) received on shares of the Company is exempt from tax. In the case of a resident individual/HUF/firm, aggregate dividend income from domestic company in excess of Rs 10 Lacs is Chargeable to tax @10 per cent (+SC+EC+SHEC) with effect from assessment years 2017-18. This additional tax in the hands of shareholder under section 115BBD is applicable even if the company (which declared dividend) is subject to dividend distribution tax under section 115-O to .However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

4.2 Shares of the company held as Capital assets for a period of more than twelve months preceding the date of transfer will be treated as a long-term capital asset. Capital gains arising on transfer of long-term capital assets, being equity shares in a company, on which STT is not paid, is exempt under section 10(38) of the Act whereas short-term capital gains arising from similar transaction shall be subject to tax under section 111A of the Act at the rate of 15% (plus applicable surcharge and Education Cess).

4.3 The benefit of exemption from tax under section 10(38) of the Act on long-term capital gains will not be available where STT is not paid. In such cases, long-term capital gains on sale or transfer of listed securities would be chargeable to tax (plus applicable surcharge and Education Cess) at lower of 20% (with cost indexation benefit) or at a concessional rate of 10% (without considering cost indexation benefit) in accordance with the provisions of section 112 of the Act. In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed Index factor, resulting into reduced taxable income.

4.4 As per section 54-EC of the Act, subject to the conditions specified therein, tax on capital gains arising from transfer of long-term capital asset shall not be taxable, provided that the Shareholder has at any time, within a period of six months from the date of transfer, invested the whole of capital gains in any specified long-term asset. However, if such long-term asset is transferred or converted into money within a period of three years from the date of its acquisition, amount of capital gains exempted earlier shall become chargeable to tax as long term capital gains in the year in which such long-term asset is transferred or converted into money. Section 54EC also provides for a ceiling of INR 5 million per financial year on investments in such long-term specified asset. Where the whole

of capital gains is not invested in long term specified asset, then exemption would be proportional to the amount of capital gains invested in long term specified asset.

For the purpose of section 54EC, long term specified assets referred to herein above means any bond redeemable after three years and issued by:

i) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

ii) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

4.5 According to the provisions of section 54-F of the Act and subject to the conditions specified therein, long-term capital gains arising to an individual or a Hindu undivided family on transfer of shares of the company on which STT is not payable, shall not be chargeable to tax, provided that the net consideration is utilized for either of the following:

i) Purchase of a residential house within a period of one year before or two years after the date of transfer of such long term capital assets; or

ii) Construction of a residential house within a period of three years after the date of transfer of the long-term capital asset.

Such benefit will not be available if the individual-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

Further, if only a portion of the net consideration is so invested, then the exemption is available proportionately. However, if the residential house in which investment is made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

4.6 As per the provision of Section 71(3), if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. As per section 74 of the Act, short term capital loss suffered during the year is allowed to be set-off against short-term capital gains as well as long term capital gains of the same year. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains of subsequent years. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, can be carried forward and set-off against long-term capital gains only.

4.7 Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession"

## **5. Benefits available to Non - Resident Shareholders**

5.1 Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.

- 5.2 Under section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- 5.3 As per section 54-EC of the Act, subject to the conditions specified therein, tax on capital gains arising from transfer of long-term capital asset shall not be taxable, provided that the Shareholder has at any time, within a period of six months from the date of transfer, invested the whole of capital gains in any specified long-term asset. However, if such long-term asset is transferred or converted into money within a period of three years from the date of its acquisition, amount of capital gains exempted earlier shall become chargeable to tax as long term capital gains in the year in which such long-term asset is transferred or converted into money. Section 54EC also provides for a ceiling of INR 5 million per financial year on investments in such long-term specified asset. Where the whole of capital gains is not invested in long term specified asset, then exemption would be proportional to the amount of capital gains invested in long term specified asset.

For the purpose of section 54EC, long term specified assets referred to herein above means any bond redeemable after three years and issued by:

- i) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - ii) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.
- 5.4 According to the provisions of section 54-F of the Act and subject to the conditions specified therein, long-term capital gains arising to an individual or a Hindu undivided family on transfer of shares of the company on which STT is not payable, shall not be chargeable to tax, provided that the net consideration is utilized for either of the following:
- i) Purchase of a residential house within a period of one year before or two years after the date of transfer of such long term capital assets; or
  - ii) Construction of a residential house within a period of three years after the date of transfer of the long-term capital asset.

Such benefit will not be available if the individual-

- i) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- ii) purchases another residential house within a period of one year after the date of transfer of the shares; or
- iii) constructs another residential house within a period of three years after the date of transfer of the shares; and
- iv) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

Further, if only a portion of the net consideration is so invested, then the exemption is available proportionately. However, if the residential house in which investment is made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

- 5.5 Under section 111A of the Act and other relevant provisions of the Act, short -term capital gains arising on transfer of equity shares in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 5.6 Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares in the Company, would be subject to tax at the rate of 20 percent (plus applicable surcharge, education cess) after indexation. The amount of such tax should

however be limited to 10% (plus applicable surcharge, education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

5.7 As per the provisions of Section 90, the Non-Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

5.8 Non-Resident Indian (“NRIs”) (as defined in Section 115C(e) of the Act) shareholders who have subscribed to shares in an Indian company in convertible foreign exchange, can exercise the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits:

- a. In accordance with and subject to the provisions of section 115D read with section 115E of the Act, long term capital gains arising on transfer of shares in an Indian company acquired out of convertible foreign exchange, are taxable at the rate of 10% (plus applicable surcharge and education cess). Cost indexation benefit and deduction under Chapter VI-A, will not be available but with protection against foreign currency fluctuation under the first proviso to section 48 of the Act.. Further, income from investment or income from long term capital gains of an asset other than Specified Asset as defined in 115C(f) (which includes shares, debentures, deposits of Indian Company and other prescribed securities/ assets) will be chargeable to tax at the rate of 20%.
- b. In accordance with and subject to the provisions of section 115F of the Act, long term capital gains arising on sale of shares in an Indian company held by a NRI shareholder and purchased out of convertible foreign exchange shall not be chargeable to income tax, if the entire net consideration is invested for a period of three years in any savings certificates specified under section 10(4B) or specified assets as defined in section 115C(f) (which includes shares, debentures, deposits of Indian Company and other prescribed securities/ assets) of the Act. In case the whole of sales consideration is not invested in prescribed savings certificates or specified assets, proportionate capital gains would be liable to tax.

Such exemption is available provided investment in savings certificates/ specified assets are made within a period of six months from the date of transfer of shares. However, if such savings certificates or specified assets are transferred or converted (otherwise than by way of transfer) into money within three years from the date of acquisition, the amount so exempted will be chargeable to tax under the head ‘Capital Gains’ in the year when such assets/ certificates are transferred.

- c. As per section 115G of the Act, a NRI Shareholder would not be required to file a return of income under section 139(1) of the Act, where the total income consists only of investment income and/or long-term capital gains as defined under section 115C of the Act and tax deductible at source has been deducted from such income as per provisions of Chapter XVIIIB of the Act.
- d. According to the provisions of section 115H of the Act, where, a NRI shareholder in any previous year, becomes assessable as a resident in India in any subsequent assessment year, he may furnish a declaration in writing to the assessing officer, along with his return of income for that assessment year filed under section 139 of the Act, to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from specified assets for that year and subsequent assessment years until such assets are converted into money. However, this option is not available in respect of shares in an Indian company.
- e. As per the provision of section 115I of Act, an NRI Shareholder may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

## 6. Benefits available to Foreign Institutional Investors (‘FIIs’)

6.1 In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs). Capital gains arising in the hands of FIIs on sale of shares are governed by Section 115AD of the Act. According to the provisions of section 115AD of the Act, long-term capital gains arising on transfer of shares held by FIIs are

taxable at the rate of 10% (plus applicable surcharge and education cess). Short term capital gains on transfer of shares are taxable at the rate of 15% (plus applicable surcharge and education cess) provided that the transaction is subject to levy of STT. In other cases, Short Term capital gains would be liable to tax at 30% (plus applicable surcharge and education cess). Cost indexation benefits are not available to FIIs. Further, the provisions of the first proviso of section 48 of the Act will not apply.

- 6.2 In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to STT.
- 6.3 In accordance with and subject to the provisions of section 115AD read with section 196D(2) of the Act, no deduction of tax at source is applicable on payment in respect of capital gains arising to a FII from the transfer of the equity shares in an Indian company.
- 6.4 Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company other than the sale referred to in section 10(38) of the Act is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹ 5.0 million) for a minimum period of three years.
- 6.5 As per the provisions of Section 90, the Non-Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.
- 6.6 In the case of all non-resident shareholders, the aforesaid tax rates are subject to the benefits, if any, available under the double taxation avoidance agreements signed by India with the country of which the non-resident shareholder may be a tax resident, subject to fulfilment of conditions prescribed there under.

## **7. Benefits available to Mutual Funds**

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

## **8. Venture Capital Companies/Fund**

In terms of section 10(23FB) of the I.T. Act, income of:-

Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and

Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, set up for raising funds for investment in a Venture Capital Undertaking, is exempt from income tax,

Exemption available under the Act is subject to investment in domestic company whose shares are not listed and which is engaged in certain 'specified' business/ industry.

## **9. Gift Tax**

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, gift of shares will not attract gift tax in the hands of the shareholders. Under section 56(2)(vii) of the Income Tax Act, 1961, if an individual or HUF receives any property, which includes shares, without consideration, the aggregate fair market value of which exceeds ₹ 50,000, the whole of the fair market value of such property will be considered as income in the hands of the recipient. Similarly, if an individual or HUF receives any property, which includes shares, for consideration which is less than the fair market value of the property by an amount exceeding ₹ 50,000, the fair market value of such property as exceeds the consideration will be considered as income in the hands of the recipient. With a view to bring uniformity in Tax treatment, section 56(2)(vii) has been amended (with effect from the Assessment year 2017-18) to provide that any

shares received by an individual or HuF as a consequence of demerger or amalgamation of a company or business reorganisation of a cooperative bank , shall not be chargeable to tax.

#### **10. Tax Deduction at source**

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non-residents (other than long-term capital gains exempt under section 10(38) of the IT Act), may be liable to the provisions of with-holding tax, subject to the provisions of the relevant tax treaty. Accordingly, income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee, unless a lower withholding tax certificate is obtained from the tax authorities. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

---

#### **Notes:**

1. The above statement sets out the provisions of law in a summary manner and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares. The above information is neither designed nor intended to be a substitute for professional tax advice.
2. The information provided above sets out the possible tax benefits available to the Company and its shareholders under the prevailing direct tax laws of India and does not cover any indirect tax law benefits or benefits under any other law. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.
3. The tax benefits given above include amendments introduced by the Finance Act, 2014. Some or all of the tax consequences described above may be modified by future amendments to the Act.
4. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in this Issue and reliance shall not be placed on the contents of this statement.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**CURRENCY OF PRESENTATION**

In this Information Memorandum all references to “Rupees” or “₹” are to Indian Rupees, the legal currency of the Republic of India.

**DIVIDEND POLICY**

The Company does not have any formal dividend policy vis a vis the equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.



## **IV. FINANCIAL INFORMATION**



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF STAR CEMENT LIMITED (FORMERLY CEMENT MANUFACTURING COMPANY LIMITED)**

We have audited the accompanying standalone financial statements of **Star Cement Limited (Formerly Cement Manufacturing Company Limited)** ('the Company'), which comprise the balance sheet as at 31st December 2016, the statement of profit and loss and cash flow for the period ended from 1<sup>st</sup> April, 2016 to 31st December, 2016 and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.





**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> December 2016 and its profit for the period ended from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> December, 2016.

The accompanying consolidate financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India, solely to comply with requirement for furnishing latest financial statements in the Information Memorandum to be submitted to the Stock Exchanges/Governing bodies for listing of shares.

Reference is drawn to Note 2.26 regarding the Scheme of Amalgamation ("The Scheme") between Star Ferro and Cement Limited (SFCL) and the Company as approved by the National Company Law Tribunal, Guwahati Bench vide its order dated 7th February, 2017, effect of which has been given in these financial statements, except allotment of the share capital

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

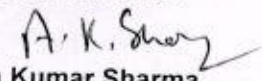
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

This Report is furnished solely for use set out for Listing of Shares of the Company and is not to be used for any other purpose or referred to in any document or distributed to anyone without our prior written consent.



Place Kolkata  
Date : 18<sup>th</sup> March, 2017

For KAILASH B. GOEL & CO.  
Firm Registration No.322460E  
Chartered Accountants

  
CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

**STAR CEMENT LIMITED**

**(Formerly Cement Manufacturing Company Limited)**

**Regd. Office: Lumshnong, P.O. Khaliehrait, Distt. East Jaintia Hills, Meghalaya**

**STAR CEMENT**

**BALANCE SHEET AS AT 31ST DECEMBER, 2016**

**(Rs. in Lacs)**

	Note	31.12.2016	31.03.16
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2.1	4,192.14	4,192.14
Share Capital-Pending Allotment		0.15	-
Reserves and Surplus	2.2	54,742.16	53,006.55
		58,934.45	57,198.69
<b><u>Non-current liabilities</u></b>			
Long Term Borrowings	2.3	35,239.78	28,573.80
Other Long Term Liabilities	2.5	8,129.42	7,628.03
Long Term Provisions	2.6	291.88	159.62
		43,661.08	36,361.45
<b><u>Current liabilities</u></b>			
Short Term Borrowings	2.7	19,307.46	22,805.75
Trade Payables		14,004.49	14,747.34
Other Current Liabilities	2.8	19,078.73	18,233.93
Short Term Provisions	2.9	64.70	118.65
		52,455.38	55,905.66
<b>Total</b>		<b>155,050.91</b>	<b>149,465.79</b>
<b><u>ASSETS</u></b>			
<b><u>Non-current Assets</u></b>			
Fixed Assets			
-Tangible Assets	2.10	23,656.19	26,332.34
-Intangible Assets	2.10	12.90	12.28
-Capital Work in Progress		5,513.05	4,071.93
		29,182.15	30,416.54
Non Current Investments	2.11	23,911.39	23,878.43
Deferred Tax Asset (Net)	2.4	157.87	85.90
Long Term Loans and Advances	2.12	19,653.84	18,474.78
Other non- Current assets	2.13	-	48.20
		72,905.25	72,903.85
<b><u>Current Assets</u></b>			
Inventories	2.14	8,083.05	8,506.31
Trade Receivables	2.15	29,132.36	34,736.91
Cash and Cash equivalents	2.16	3,500.54	806.49
Short Term Loans and Advances	2.17	41,429.71	32,512.22
		82,145.66	76,561.94
<b>Total</b>		<b>155,050.91</b>	<b>149,465.79</b>

**Significant accounting policies and notes on accounts**

1 & 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kailash B Goel & Co.**  
Firm Registration No.322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
M.No. 57329  
Place: Kolkata  
Date : 18th March ,2017



*Dilip K. Agarwal*  
**Dilip K. Agarwal**  
Chief Financial Officer

*Manoj Agarwal*  
**Manoj Agarwal**  
Company Secretary

**For & on behalf of Board**

*Sajjan Bhajanka*  
**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

*Sanjay Agarwal*  
**Sanjay Agarwal**  
Managing Director  
DIN:00246132

**STAR CEMENT LIMITED**  
(Formerly Cement Manufacturing Company Limited)  
Regd. Office: Lumshnong, P.O. Khaliehrat, Distt. Jaintia Hills, Meghalaya

**STAR CEMENT**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2016**

(Rs. in Lacs)

			2016-17 (From 01.04.16 to 31.12.16)	2015-16
<b>Income</b>				
Revenue from Operations (Gross)	2.18		104,906.44	148,433.04
Excise Duty			(4,736.76)	(6,833.82)
Revenue from Operations (Net)			100,169.68	141,599.22
Other Income	2.19		72.03	93.56
<b>Total Revenue</b>			<b>100,241.71</b>	<b>141,692.78</b>
<b>Expenses</b>				
Cost of Materials consumed	2.20		30,812.78	43,214.48
Purchase of Traded Goods			13,713.48	15,791.59
(Increase)/Decrease in Inventories	2.21		(623.08)	(849.44)
Employee Benefit Expenses	2.22		5,395.42	6,224.40
Finance Costs	2.23		4,280.40	4,913.04
Depreciation and Ammortization Expenses			3,493.79	6,064.49
Other Expenses	2.24		41,531.70	60,693.16
<b>Total Expenses</b>			<b>98,604.49</b>	<b>136,051.72</b>
<b>Profit/(loss) before exceptional and extraordinary items and tax</b>			<b>1,637.22</b>	<b>5,641.06</b>
Exceptional Items			(30.74)	(55.00)
<b>Profit/(loss) before tax</b>			<b>1,606.48</b>	<b>5,586.06</b>
<b>Tax Expenses</b>				
- Current Tax			342.85	1,195.58
Less: MAT Credit entitlement			(342.85)	(1,195.58)
- Net Current Tax			-	-
- Income Tax for Earlier year			-	41.59
- Deferred Tax			(27.41)	(85.90)
<b>Profit/(loss) for the period</b>			<b>1,633.89</b>	<b>5,630.36</b>
<b>Earnings Per Equity Share</b>				
Basic Earning Per Share			0.39	1.34
Diluted Earning Per Share			0.39	1.34

**Significant accounting policies and notes on accounts**

1 & 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kailash B Goel & Co.**  
Firm Registration No.322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
M.No. 57329  
Place: Kolkata  
Date : 18th March ,2017



*Dilip Kr. Agarwal*  
**Dilip Kr. Agarwal**  
Chief Financial Officer

*Manoj Agarwal*  
**Manoj Agarwal**  
Company Secretary

**For & on behalf of Board**  
*Sajjan Bhajanka*  
**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

*Sanjay Agarwal*  
**Sanjay Agarwal**  
Managing Director  
DIN:00246132

**STAR CEMENT LIMITED**

**(Formerly Cement Manufacturing Company Limited)**  
**Regd. Office & Works: Lumshnong, P.O. Khaliehrait, Distt. Jaintia Hills, Meghalaya**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2016**

**(Rs. in Lacs)**

PARTICULARS	2016-17 (From 01.04.16 to 31.12.16)	2015-16
<b>A Cash flow from operating activities</b>		
Net Profit/(Loss) before Tax	1,606.48	5,586.06
<b>Adjustments for :</b>		
Depreciation	3,493.79	6,064.49
(Profit)/ Loss on Sale of Fixed Assets	2.78	8.22
Interest Income	(3.51)	(47.26)
Finance Costs	4,280.40	4,913.04
Income Tax for Earlier years	-	(41.59)
Provision for Bad and Doubtful Debts ( Net of adjustments)	(9.41)	(35.14)
<b>Operating Profit before working Capital changes</b>	<b>9,370.54</b>	<b>16,447.81</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade receivables	5,613.96	(11,981.10)
(Increase)/Decrease in Inventories	423.27	(3,259.83)
(Increase )/Decrease in Loans & Advances and other assets	(10,142.45)	(12,470.54)
Increase /(Decrease ) in Trade Payables,Other Liabilities and Provisions	905.86	5,856.79
<b>Cash Generated from Operations</b>	<b>6,171.17</b>	<b>(5,406.87)</b>
Direct Taxes Paid	50.00	1,100.00
<b>Net Cashflow from Operating Activities</b>	<b>6,221.17</b>	<b>(4,306.87)</b>
<b>B Cash flow from Investing Activities</b>		
(Purchase)/sale of Fixed Assets ( including WIP)- Net*	(2,215.55)	(3,357.45)
Fixed Deposits/Margin Money Given/(Repaid)	(102.52)	(4.74)
(Purchase)/ sale of Investments	(32.96)	-
Interest Received	3.51	47.26
<b>Net Cash used in Investing Activities</b>	<b>(2,347.51)</b>	<b>(3,314.93)</b>
<b>C Cash Flow from Financing Activities</b>		
Interest paid	(4,280.40)	(4,913.04)
Proceeds from /(Repayment of) Long Term Borrowings / Liabilities*	6,376.36	5,249.78
Proceeds from /(Repayment of) Short Term Borrowings	(3,498.29)	6,931.14
<b>Net Cash used in Financing Activities</b>	<b>(1402.33)</b>	<b>7,267.89</b>
<b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>2,471.32</b>	<b>(353.91)</b>
<b>Cash and Cash Equivalents</b>		
<b>Opening Balance*</b>	<b>787.48</b>	<b>1,141.40</b>
Add: Transferred as per Scheme of Amalgamation (Refer note 2.26)	72.02	-
<b>Closing Balance</b>	<b>3,330.82</b>	<b>787.48</b>

\*Excluding notional foreign exchange loss of Rs 46.63 lacs ,P Y Rs.121.79 Lacs capitalized in accordance with para 46A of AS-11

\*\* Represents Cash and Bank Balances as indicated in Note-2.16, and excludes Rs.169.72 lacs.(P Y Rs.19.01 lacs) being Bank Balances with restrictive use and maturity of more than three months.

As per our report of even date  
**For Kailash B Goel & Co.**  
 Firm Registration No.322460E  
 Chartered Accountants

*A.K. Sharma*

**CA. Arun Kumar Sharma**  
 Partner  
 M.No. 57329  
 Place: Kolkata  
 Date : 18th March ,2017



*Dilip K. Agarwal*  
**Dilip K. Agarwal**  
 Chief Financial Officer

*Manoj Agarwal*  
**Manoj Agarwal**  
 Company Secretary

**For & on behalf of Board**  
*S. M. J.*  
**Sajjan Bhajanka**  
 Chairman & Managing Director  
 DIN:00246043

*Sanjay Agarwal*  
**Sanjay Agarwal**  
 Managing Director  
 DIN:00246132

## Notes to financial statements [Contd.]

**Corporate Information**

Star Cement Limited (formerly Cement Manufacturing Company Limited ) (the company) is a public limited company domiciled in India and incorporated on 2<sup>nd</sup> November, 2001 under the provisions of Companies Act, 1956. The company is engaged in the manufacturing and selling of Cement Clinker & Cement. The manufacturing units are located at Lumshnong, Meghalaya and Guwahati, Assam. The Company is selling its product across north eastern and eastern states of India.

The accompanying financial statements have been prepared by the Company solely to comply with requirement for furnishing latest financial statements in the Information Memorandum to be submitted to the Stock Exchanges/Governing bodies for listing of shares.

**1. Significant Accounting Policies****1.1 Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies are consistently followed by the company and changes in accounting policy are separately disclosed.

**1.2 Use of Estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**1.3 Fixed Assets**

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. The Company has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", and accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Railway sidings the ownership of which vest with the Railway authorities are depreciated over five years.

**1.4 Capital Work In Progress**

Capital work in progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on completion of construction.

**1.5 Expenditure during construction period**

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production/completion of project are capitalised.



## Notes to financial statements [Contd.]

**1.6 Depreciation**

Depreciation on Fixed Assets is provided on Written Down Value method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing deprecation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually. Depreciation on amount capitalized pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' is provided over the balance useful life of depreciable capital assets. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**1.7 Investments**

Current Investments are stated at lower of cost and market value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

**1.8 Inventories**

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of Inventories is computed on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**1.9 Retirement Benefits:****(i) Defined Contribution Plan**

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

**(ii) Defined Benefit Plan**

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

**(iii) Other Long-term benefits**

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the statement of profit and loss.

**1.10 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.





## Notes to financial statements [Contd.]

### 1.11 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### 1.12 Foreign Currency Transactions and Balances

Transactions in foreign currencies entered into by the Company are accounted at the exchanges rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short term foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

### 1.13 Taxes on Income

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized and carried forward for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961. Deferred tax assets / liabilities are reviewed at each Balance Sheet date based on developments during the year to reassess realization / liabilities.

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of MAT at each reporting date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

### 1.14 Intangible Asset

An Intangible Asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of three years.



**Notes to financial statements [Contd.]****1.15 Research and Development Expenditure**

Revenue expenditure is charged to the Statement of Profit & Loss and capital expenditure is added to the cost of fixed assets in the year in which they are incurred.

**1.16 Provisions and Contingencies**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

**1.17 Cash & Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

**1.18 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.19 Revenue Recognition**

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty and are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

**1.20 Government Grants and Subsidies**

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognized in the Profit and Loss Account as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.



<b>STAR CEMENT LIMITED</b> <b>(Formerly Cement Manufacturing Company Limited)</b>		
		<b>STAR CEMENT</b>
<b>Notes to financial statements [Contd.]</b>		
	<b>(Rs. in Lacs)</b>	
<b>2.1 - Share Capital</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Authorised Capital</b> 60,00,00,000 (60,00,00,000 as at 31.03.16) Equity Shares of Rs.1/- (PY Rs 1/-) each fully paid )	<b>6000.00</b>	<b>6000.00</b>
<b>Issued, Subscribed &amp; fully Paid -up shares</b> 41,92,13,920 ( 41,92,13,920 as at 31.03.16) Equity Shares of Rs.1/- (PY Rs 1/- each fully paid ) #	<b>4192.14</b>	<b>4192.14</b>

**a Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 1/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	No of Shares	No of Shares
At the beginning of the year	419,213,920	419,213,920
Issued during the year	-	-
Outstanding at the end of the year	<b>419213920</b>	<b>419213920</b>

**c Shares held by Holding Company**

Star Ferro and Cement Limited#	No of Shares	No of Shares
	295,475,000	295,475,000

**d Details of Shareholders holding more than 5% of Equity Share capital**

Name of the Shareholders	No of Shares % of holding	No of Shares % of holding
Star Ferro and Cement Limited#	295,475,000 70.48%	295,475,000 70.48%
Sajjan Bhajanka	35,834,195 8.55%	35,825,000 8.50%
Rajendra Chamaria	27,565,140 6.58%	27,565,140 6.58%

# The existing share capital would be cancelled upon allotment of shares pursuant to Scheme of Amalgamation (Refer Note no. 2.26)

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership.

<b>e Share Capital-Pending Allotment</b>	<b>31.12.2016</b>	<b>31.03.16</b>
Shares to be allotted as per Scheme of Amalgamation (net of shares to be cancelled on allotment, Refer Note no. 2.26)	0.15	-
	<b>0.15</b>	<b>-</b>

<b>2.2 -Reserves &amp; Surplus</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Capital Reserve</b>		
Balance as per last Account	6,719.90	6,719.90
Add: Amount adjusted pursuant to scheme of Amalgamation *	643.53	-
Addition/(Deduction) during the period	-	-
	<b>7,363.43</b>	<b>6,719.90</b>
<b>General Reserve</b>		
Balance as per last Account	3,820.00	3,820.00
Less : Amount adjusted pursuant to the Scheme of Amalgamation *	(632.17)	-
Addition/(Deduction) during the period	-	-
	<b>3,187.83</b>	<b>3,820.00</b>
<b>Surplus as per Profit &amp; Loss Account</b>		
Balance as per last Account	42,466.64	36,836.28
Add: Amount adjusted pursuant to scheme of Amalgamation *	90.36	-
Profit /(loss) for the period	1,633.89	5,630.36
Amount available for appropriation	44,190.90	42,466.64
Total Appropriations	-	-
Net Surplus in the statement of profit and loss	<b>44,190.90</b>	<b>42,466.64</b>
<b>Total Reserves and Surplus</b>	<b>54742.16</b>	<b>53006.55</b>

\* Refer Note no 2.26



**STAR CEMENT LIMITED****(Formerly Cement Manufacturing Company Limited)****STAR CEMENT****Notes to financial statements [Contd.]****(Rs. in Lacs)**

<b>2. 3 - Long Term Borrowings</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Term Loans</b>		
Rupee Loans from Banks (Secured)	9,277.98	13,848.03
Rupee Loans from a Financial Institution (Secured)	2,812.50	3,000.00
Rupee Loans from Body Corporate (Secured)	7,000.00	-
Foreign Currency Loan from a Bank ( Secured)	1,613.68	2,158.90
<b>Loans and Advances from Related Party (UnSecured)</b>		
- From a subsidiary	13,501.30	13,208.00
- From Directors	6,570.97	2,256.66
<b>Other Loans &amp; Advances</b>		
-Hire Purchase Finance from banks (Secured)	245.83	127.69
	<b>41,022.26</b>	<b>34,599.28</b>
Less: Current Maturities of long term borrowings	(5,782.48)	(6,025.48)
	<b>35,239.78</b>	<b>28,573.80</b>

- Rupee Term Loan of Rs 2,812.50 lacs for the company's cement grinding unit at Guwahati, Assam availed from a financial institution is repayable in 15 equal quarterly instalments commencing from December 16. The loan is proposed to be secured by first charge on fixed assets of Megha Technical & Engineers Private Limited, a wholly owned subsidiary of the company. Pending security creation the loan is temporarily secured by personal guarantee of some of the directors of the company.
- Rupee Term Loans of Rs 9,277.98 lacs from banks are repayable in further 12 unequal quarterly instalments ending on December 2019. Foreign Currency loan of Rs 1,613.68 lacs from a bank is repayable in further 12 unequal quarterly instalments ending on December 2019. The loans are secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
- Rupee Term Loan of Rs 7,000.00 lacs for the company's cement Plant at Lumshnong, Meghalaya, availed from a financial institution is repayable in 8 equal half yearly instalments commencing from September 2017. The loans are secured by pari passu first charge on fixed assets of the Company's cement plant at Lumshnong ,Meghalaya.
- The term loans are also secured by personal guarantees of some of the directors of the company.
- Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable within four years having varying date of payment.
- The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.



<b>STAR CEMENT LIMITED</b>		
<b>(Formerly Cement Manufacturing Company Limited)</b>		
<b>STAR CEMENT</b>		
<b>Notes to financial statements [Contd.]</b>		
<b>(Rs. in Lacs)</b>		
<b>2.4- Deferred Tax Liabilities(Net)</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Deferred Tax Assets*</b>		
-Gratuity & Leave encashment	53.82	16.17
- Fixed Assets	87.97	58.69
-Trade receivable	16.09	11.03
Gross deferred tax asset	<b>157.87</b>	<b>85.90</b>
<b>Net Deffered Tax (Assets)/Liability</b>	<b>(157.87)</b>	<b>(85.90)</b>

\* Deferred Tax Assets of Rs 44.56 Lacs transferred to the company pursuant to the Scheme of Amalgamation (Refer note no. 2.26)

<b>2.5- Other Long Term Liabilities</b>	<b>31.12.2016</b>	<b>31.03.16</b>
-Security Deposit	7,851.26	7,327.41
-Retention Money	278.16	300.62
	<b>8,129.42</b>	<b>7,628.03</b>

<b>2.6- Long Term Provisions</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Provisions for employee benefits</b>		
- Leave Encashment	211.64	96.75
- Gratuity	80.24	62.87
	<b>291.88</b>	<b>159.62</b>

<b>2.7-Short Term Borrowings</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Working Capital facilities from Banks</b>		
- Cash Credit (Secured)	4,015.63	10,603.63
	<b>4,015.63</b>	<b>10,603.63</b>
<b>Short Term Loan</b>		
- From Banks (Unsecured)	12,225.40	9,245.23
- Foreign Currency Demand Loan from a Bank (UnSecured)	3,066.43	2,956.89
	<b>19,307.46</b>	<b>22,805.75</b>

- a. The above amount includes
- |                      |           |           |
|----------------------|-----------|-----------|
| Secured borrowings   | 4,015.63  | 10,603.63 |
| Unsecured borrowings | 15,291.83 | 12,202.12 |
- b. Working Capital facilities of Rs 2,156.35 Lacs from banks are secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company's cement plant at Lumshnong ,Meghalaya.
- c. Working capital facilities of Rs. 1,859.28 Lacs from banks are secured by pari passu first charge on current assets and pari passu second charge on fixed assets of the company's cement cement grinding unit at Guwahati, Assam.
- d. The Working capital facilities have been guaranteed by some of the Directors of the Company.
- e. Short term loan from banks is due for repayment on January, 2017 and Foreign Currency demand loan from a bank is due for repayment on March 2017.



**STAR CEMENT LIMITED****(Formerly Cement Manufacturing Company Limited)****STAR CEMENT****Notes to financial statements [Contd.]****(Rs. in Lacs)**

<b>2.8 - Other Current Liabilities</b>	<b>31.12.2016</b>	<b>31.03.16</b>
Current Maturities of long term borrowings	5,782.48	6025.48
Interest accrued but not due on borrowings	0.10	0.93
<b>Other Payables</b>		
-Statutory Liabilities (including excise duty on finished goods Rs 134.54 Lacs, Rs 58.85 Lacs as at 31.03.16)	1,929.89	1316.03
-Creditors for capital goods	20.65	150.79
-Advances from customer	988.22	2136.05
-Salary and Bonus to employees	133.12	203.93
-Unclaimed dividends**	1.65	-
-Other Liabilities	10,222.62	8400.70
	<b>19,078.73</b>	<b>18,233.93</b>

\*\* Amount to be transferred to the Investor Education and Protection Fund shall be determined on the respective due date

<b>2.9 - Short Term Provisions</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Provisions for Employee Benefits</b>		
-Leave Encashment	26.36	85.12
-Gratuity	38.35	33.53
	<b>64.70</b>	<b>118.65</b>



**STAR CEMENT LIMITED**  
(Formerly Cement Manufacturing Company Limited)

STAR CEMENT

Notes to financial statements [Contd.]

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As on 01.04.16	Additions	Deduction / Adjustment	Total as on 31.12.16	Upto 31.03.16 For the period	Deduction / Adjustment	Total as on 31.12.16	As on 31.12.16	As on 31.03.16
<b>2.10 - Fixed Assets</b>									
<b>TANGIBLE ASSETS</b>									
<b>A. Cement Plant at Lumshnoig, Meghalaya</b>									
Land & Site Development	2,194.10	299.51	-	2,493.61	-	-	2,493.61	2,493.61	2,194.10
Factory Building	4,266.73	-	-	4,266.73	124.90	-	2,626.86	1,639.87	1,764.77
Non Factory Building	2,265.93	-	-	2,265.93	53.16	-	1,138.63	1,127.30	1,180.46
Plant, Machinery & Equipments	14,110.85	119.16	-	14,230.02	494.81	-	10,988.25	3,241.77	3,617.42
Furniture & Fixtures	343.48	25.94	-	369.42	11.72	-	286.26	83.16	68.95
Office Equipments	324.01	6.71	-	330.72	7.37	-	301.79	28.93	29.59
Computers	347.20	4.22	0.15	351.27	11.31	0.14	330.46	20.81	27.91
Vehicles	1,066.91	205.67	22.47	1,250.11	69.98	19.89	834.20	415.90	282.80
Tools & Tackles	242.44	0.27	-	242.71	9.58	-	214.60	28.11	37.42
<b>Total of Tangible Assets (A)</b>	<b>25,161.66</b>	<b>661.49</b>	<b>22.62</b>	<b>25,800.53</b>	<b>782.84</b>	<b>20.03</b>	<b>16,721.06</b>	<b>9,079.47</b>	<b>9,203.42</b>
<b>B. Cement Grinding Unit at Gawahati, Assam</b>									
Land & Site Development	1,698.63	-	-	1,698.63	-	-	-	1,698.63	1,698.63
Factory Building	3,038.98	46.63	-	3,085.61	172.42	-	818.44	2,267.17	2,392.97
Non Factory Building	2,112.04	61.06	-	2,173.10	214.85	-	1,330.54	842.56	996.35
Plant, Machinery & Equipments	23,904.98	-	-	23,904.98	2,138.11	-	14,705.33	9,199.65	11,337.76
Furniture & Fixtures	312.41	11.32	-	323.73	37.76	-	171.15	152.58	179.02
Office Equipments	119.95	13.31	4.53	128.72	17.98	-	89.24	39.48	48.68
Computers	212.47	11.32	1.28	222.51	30.84	0.54	174.73	47.78	68.04
Vehicles	753.77	6.75	47.33	713.20	70.01	38.73	476.77	236.43	308.29
Tools & Tackles	255.70	15.18	-	270.87	21.92	-	178.43	92.44	99.19
<b>Total - B</b>	<b>32,408.92</b>	<b>165.56</b>	<b>53.14</b>	<b>32,521.35</b>	<b>2,703.89</b>	<b>39.26</b>	<b>17,944.62</b>	<b>14,576.72</b>	<b>17,128.92</b>
<b>Total of Tangible Assets (A+B)</b>	<b>57,570.58</b>	<b>827.05</b>	<b>75.76</b>	<b>58,321.87</b>	<b>3,486.73</b>	<b>59.29</b>	<b>34,665.68</b>	<b>23,656.19</b>	<b>26,332.34</b>
<b>C. INTANGIBLE ASSETS</b>									
Computer Software	129.67	7.79	-	137.45	117.39	7.16	124.55	12.90	12.28
<b>Total Fixed Assets - (A + B + C)</b>	<b>57,700.25</b>	<b>834.84</b>	<b>75.76</b>	<b>58,459.33</b>	<b>3,493.90</b>	<b>59.29</b>	<b>34,790.23</b>	<b>23,669.09</b>	<b>26,344.62</b>
Previous Year's figures	56,190.35	1,585.29	55.40	57,700.25	25,332.23	41.20	31,355.63	26,344.62	30,858.13

a. During the year Company has discarded fixed assets amounting to Rs 0.15 Lacs, (Previous Year Rs.5.68 Lacs) and sold fixed assets amounting to Rs 75.61 Lacs, (Previous Year Rs 49.72 Lacs.)  
b. Depreciation for the period includes preoperative depreciation of Rs. 0.10 Lacs, (Previous Year 0.11 lacs) of proposed cement grinding unit at Silliguri.



**STAR CEMENT LIMITED****STAR CEMENT****(Formerly Cement Manufacturing Company Limited)****Notes to financial statements [Contd.]****(Rs. in Lacs)**

<b>2.11 -Non Current Investments</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b><u>Non Current Investments</u></b>		
<b><u>Trade Investments (valued at cost unless stated otherwise)</u></b>		
<b><u>Investment in Unquoted Equity Instruments</u></b>		
<b><u>Investment in Subsidiaries</u></b>		
Megha Technical & Engineers Private Limited 2,73,46,400 ( 2,73,36,400 as at 31.03.16) Equity Shares of Rs 10/- each fully paid up	2,734.64	2,734.64
Star Cement Meghalaya Limited 2,60,88,656 (2,60,88,656 as at 31.03.16) Equity Shares of Rs 10 each fully paid up	17,414.67	17,414.67
Meghalaya Power Limited 87,36,620 (87,36,620 as at 31.03.16) Equity Share of Rs 10 each fully paid up	3,568.31	3,568.31
NE Hills Hydro Limited 70,000 (70,000 as at 31.03.16) Equity Share of Rs 10 each fully paid up	7.00	7.00
Star Century Global Cement Private Limited 300 (NIL as at 31.03.16) Equity Share of \$ 100 each fully paid up	20.03	-
<b><u>Investment in Others</u></b>		
Adonis Vyapaar Private Limited 3,55,509 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	35.55	32.32
Apanapan Viniyog Private Limited 3,55,509 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	35.55	32.32
Ara Suppliers Private Limited 3,55,509 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	35.55	32.32
Arham Sales Private Limited 3,55,509 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	35.55	32.32
<b><u>Non Trade Investments (valued at cost unless stated otherwise)</u></b>		
<b><u>Investment in Quoted Equity Instruments</u></b>		
Reliance Power Limited 8,743 (8,743 as at 31.03.16) Equity Shares of Rs 10/- each fully paid up	24.54	24.54
	<b>23,911.39</b>	<b>23,878.43</b>
Aggregate amount of Quoted investment (market Value Rs. 3.60 lacs as on 31.12.16)	24.54	24.54
Aggregate amount of Unquoted investments	23,886.85	23,853.90





**STAR CEMENT LIMITED****(Formerly Cement Manufacturing Company Limited)****STAR CEMENT****Notes to financial statements [Contd.]****(Rs. in Lacs)**

<b>2.12 - Long Term Loans and Advances</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Capital Advances</b>		
Unsecured, Considered Good	3,061.08	2,457.62
	<b>3,061.08</b>	<b>2,457.62</b>
<b>Security Deposits</b>		
Unsecured, Considered Good	365.20	363.20
	<b>365.20</b>	<b>363.20</b>
<b>Other Loans and Advances</b>		
-Subsidies Receivable from Central/State Governments	5,848.91	5,848.91
-Subsidies/Incentives Receivable from Central/State Governments	1,423.81	1,025.00
-Advance Income Tax (net of provision for taxation ),including MATCredit Entitlement	8,954.84	8,780.05
	<b>16,227.56</b>	<b>15,653.97</b>
	<b>19,653.84</b>	<b>18,474.78</b>

<b>2.13 -Other Non Current Assets</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Others</b>		
Balance with banks held as margin money deposits with original maturity of more than 12 months	-	48.20
	-	<b>48.20</b>
	-	<b>48.20</b>

<b>2.14- Inventories</b>	<b>31.12.2016</b>	<b>31.03.16</b>
Raw Materials [including in transit -Rs 172.08 lacs, As at 31.03.16 Rs 210.30 lacs]	1,509.63	1,729.64
Work - In - Process	31.01	27.09
Finished Goods [including in transit-Rs 349.76 lacs ,As at 31.03.16 Rs 605.28 lacs]	2,921.92	2,291.25
Stock in Trade [including in transit-Rs Nil ,As at 31.03.16 Rs 38.39 lacs]	337.22	348.74
Fuels, packing materials, etc.	872.39	2,127.60
Stores & Spares parts	2,410.86	1,981.99
	<b>8,083.05</b>	<b>8,506.31</b>



<b>STAR CEMENT LIMITED</b>		<b>STAR CEMENT</b>	
<b>(Formerly Cement Manufacturing Company Limited)</b>			
<b>Notes to financial statements [Contd.]</b>			
		<b>(Rs. in Lacs)</b>	
<b>2.15- Trade Receivables</b>		<b>31.12.2016</b>	<b>31.03.16</b>
<b>Secured Considered Good</b>			
Over Six months		270.33	229.72
Other debts		3,292.11	4,310.48
		<b>3,562.45</b>	<b>4,540.20</b>
<b>Unsecured</b>			
<b>Over Six Months</b>			
I	Considered Good	1,145.68	1,163.32
	Considered Doubtful	52.65	62.06
	Less: Provision for Doubtful Debts	(52.65)	(62.06)
		<b>1,145.68</b>	<b>1,163.32</b>
II	Claims due from Central Government - Considered Good	13,081.78	9,142.78
<b>Other Debts</b>			
I	Considered Good	8,706.54	17,302.04
II	Claims due from Central Government - Considered Good	2,635.92	2,588.58
		<b>29,132.36</b>	<b>34,736.91</b>

Note : Periodically, the Company evaluates realisability of all customer dues. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customers's ability to settle. The Company normally provides for debtor dues outstanding for six months or longer from the invoice date ,at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.

<b>2.16- Cash &amp; Cash Equivalents</b>		<b>31.12.2016</b>	<b>31.03.16</b>
Cash on Hand		22.80	64.55
Cheques In Hand		0.60	56.49
<b>Balance with Banks</b>			
- In current accounts/cash credit accounts		3,305.77	666.44
- On unpaid Dividend Account		1.65	-
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months		169.72	19.01
		<b>3,500.54</b>	<b>806.49</b>

<b>2.17 - Short Term Loans and Advances</b>		<b>31.12.2016</b>	<b>31.03.16</b>
<b>Loans and advances to related parties</b>			
Unsecured, Considered Good			
-Advances Recoverable from an Associate		750.76	35.00
		<b>750.76</b>	<b>35.00</b>
<b>Others</b>			
<b>Unsecured, Considered Good</b>			
-Advances to suppliers		1,002.50	340.78
-Loan and advances to employees		205.66	70.55
-Balances with Statutory/Government authorities		2,168.70	2,645.63
-Subsidies /Incentives Receivable from Central/State Governments		33,909.84	26,223.14
-Advances for Services & Expenses		3,246.87	3,048.55
-Prepaid expenses		128.59	148.57
<b>Unsecured, Considered Doubtful</b>			
-Loan and advances to employees		24.88	8.08
Less: Provision for Bad & Doubtful advances		(8.08)	(8.08)
		<b>40,678.95</b>	<b>32,477.22</b>
		<b>41,429.71</b>	<b>32,512.22</b>



<b>STAR CEMENT LIMITED</b>		
<b>(Formerly Cement Manufacturing Company Limited)</b>		
<b>Notes to financial statements [Contd.]</b>		
<b>(Rs. in Lacs)</b>		
<b>2 18- Revenue from Operations</b>	<b>2016-17</b> (From 01.04.16 to 31.12.16)	<b>2015-16</b>
<b>Sale of Products</b>		
Domestic	104,348.78	147,376.74
Export	252.06	608.72
	<b>104,600.84</b>	<b>147,985.46</b>
<b>Other Operating Income</b>		
Shortage Recovery of Cement & Clinker	269.32	312.41
Others	36.28	135.17
<b>Revenue from operation (gross)</b>	<b>104906.44</b>	<b>148433.04</b>
	<b>2016-17</b> (From 01.04.16 to 31.12.16)	<b>2015-16</b>
<b>Details of Products Sold</b>		
Cement	104,545.36	147,140.60
Clinker	55.48	844.86
	<b>104,600.84</b>	<b>147,985.46</b>
<b>2.19 - Other Income</b>	<b>2016-17</b> (From 01.04.16 to 31.12.16)	<b>2015-16</b>
<b>Interest Income on</b>		
-Bank deposits	3.34	5.66
-others	0.17	41.60
<b>Miscellaneous Income</b>	68.52	46.30
	<b>72.03</b>	<b>93.56</b>
<b>2.20- Cost of Materials Consumed</b>	<b>2016-17</b> (From 01.04.16 to 31.12.16)	<b>2015-16</b>
Inventory at the beginning of the year	1,729.64	772.78
Add: Purchases	30,592.77	44171.35
	32,322.40	44944.12
Less :Inventory at the end of the period	1,509.63	1729.64
<b>Cost of Materials Consumed</b>	<b>30,812.78</b>	<b>43214.48</b>
	<b>2016-17</b> (From 01.04.16 to 31.12.16)	<b>2015-16</b>
<b>Details of Raw materials Consumed</b>		
Limestone	1,146.65	1,457.04
Shale	64.90	98.38
Iron Mill Scale	2.34	19.45
Gypsum	593.48	747.18
Fly ash	5,701.00	7,619.19
Clinker	23,244.35	33,204.90
Others	60.06	68.35
	<b>30,812.78</b>	<b>43,214.48</b>



<b>STAR CEMENT LIMITED</b>		
<b>(Formerly Cement Manufacturing Company Limited)</b>		
		<b>STAR CEMENT</b>
<b>Notes to financial statements [Contd.]</b>		
		<b>(Rs. in Lacs)</b>
<b>2.21 - (Increase) / Decrease in Inventories</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Work in Process</b>		
Opening Stock	27.09	9.67
Closing Stock	31.01	27.09
	<b>(3.93)</b>	<b>(17.42)</b>
<b>Finished Goods</b>		
Opening Stock	2,291.25	1,714.00
Closing Stock	2,921.92	2,291.25
	<b>(630.67)</b>	<b>(577.25)</b>
<b>Stock in Trade</b>		
Opening Stock	348.74	93.97
Closing Stock	337.22	348.74
	<b>11.52</b>	<b>(254.77)</b>
<b>(Increase) / Decrease</b>	<b>(623.08)</b>	<b>(849.44)</b>

	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Details of Finished goods</b>		
Cement	2,018.45	2,155.22
Clinker	903.48	136.03
	<b>2,921.92</b>	<b>2,291.25</b>

<b>2.22- Employee Benefit Expenses</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Salaries & Wages	4,996.62	5,709.14
Contribution to Provident Fund and other funds	173.05	199.11
Welfare Expenses	225.74	316.15
	<b>5,395.42</b>	<b>6,224.40</b>

<b>2.23 - Finance Costs</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Interest Expense		
-On Fixed Loans	1,567.10	1,496.91
-On Other Loans	2,588.65	3,089.96
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	53.84	169.75
Other finance Costs	70.80	156.42
	<b>4,280.40</b>	<b>4,913.04</b>



**STAR CEMENT LIMITED****(Formerly Cement Manufacturing Company Limited)****STAR CEMENT****Notes to financial statements [Contd.]**

<b>2.24 -Other Expenses</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Consumption of Stores & Spares	378.32	725.37
Packing Materials	2,476.20	3,503.30
Power & Fuel	6,641.10	9,455.06
Repairs & Maintenance		
- Building	83.67	135.21
- Plant & Machinery	382.16	653.85
- Others	98.59	265.03
Heavy Vehicle / Equipment Running Expenses	334.69	329.61
Excise duty variation on opening/closing stock	206.99	98.87
Travelling and Conveyance	589.72	927.34
Insurance	124.66	148.95
Rent, Rates & Taxes	587.10	942.25
Research & Development Expenses	38.64	53.05
Charity & Donation	110.90	65.64
Miscellaneous Expenses	1,123.88	1,499.08
CSR Expenses	64.34	62.34
Advertisement & Publicity	1,243.04	2,919.67
Outward Freight Charges	15,709.83	24,134.66
Sales Promotion Expenses	2,692.68	2,688.89
Commission & Incentives	8,645.21	12,084.99
	<b>41,531.70</b>	<b>60,693.16</b>



**Notes to financial statements [Contd.]**

**2.25** In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

**2.26 Scheme of Amalgamation**

(a) Pursuant to the Scheme of Amalgamation ("The Scheme") between Star Ferro and Cement Limited (SFCL) and the Company as approved by the National Company Law Tribunal, Guwahati Bench at Guwahati vide its order dated 7th February, 2017, all the assets and liabilities of SFCL have been transferred to and vested in the Company at their respective book values on a going concern basis with effect from 1st April, 2016 being the appointed date. The said order of the National Company Law Tribunal has been filed with the Registrar of Companies on 22nd February, 2017, the effective date of the scheme and accordingly, the Scheme of Amalgamation has been given effect to in these accounts. The said amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14 (AS -14) - "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India.

(b) Details of Assets and Liabilities along with value of each of the assets and liabilities being transferred under the Scheme of Amalgamation as under

**(Rs. In Lacs)**

<b>Particulars</b>	<b>Amount</b>
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Deferred Tax Asset (Net)	44.56
<b>Total</b>	<b>44.56</b>
<b>Current Assets</b>	
Cash and Cash equivalents	72.02
Short Term Loans and Advances	4.10
<b>Total Assets</b>	<b>120.68</b>
<b>Total Liabilities</b>	
<b>Non-Current liabilities</b>	
Long Term Provisions	10.50
<b>Current liabilities</b>	
Other Current Liabilities	7.88
Short Term Provisions	0.43
<b>Total Liabilities</b>	<b>18.81</b>

(c) Pursuant to the Scheme, the difference between book value of assets and liabilities transferred from the SFCL being Rs. 101.87 Lacs, has been Credited to Shareholders' Fund of the Company as Under :

**(Rs. In Lacs)**

Share Capital - Pending Allotment	0.15
Capital Reserve	643.53
General Reserve	(632.17)
Surplus As Per Statement of P&L	90.36
	<b>101.87</b>

(d) Pursuant to the said Scheme of Amalgamation, the Company will issue and allot 1.33 Equity Shares of face value Re. 1/- to the shareholders of SFCL in lieu of 1 (one) Equity Share of face value Re. 1/- held by them in SFCL as fully paid - up. Upon such allotment of shares, all the Equity Shares held by SFCL, shall stand cancelled.

(e) Consequent to the allotment of new shares as per the Scheme of Amalgamation, Current share capital of the Company would be increased by Rs. 0.15 Lac.



- 2.27 Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Particulars	(Rs in Lacs)	
	31.12.16	2015-16
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	-	-
(ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	-	-
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	-	0.01
(iv) Amount paid to the suppliers beyond the respective appointed date.	-	0.58
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

- 2.28 The Company deals in only one Segment i.e. Cement . There is no separate reportable segment as required by Accounting Standard 17- 'Segment Reporting'. The Company mainly caters to the needs of the domestic market. As such there are no reportable geographical segments.
- 2.29 Against company's claim for refund of differential excise duty, Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the disputed amount against furnishing of solvent surety in line with the Interim Order dated 13th January, 2012 passed by Hon'ble Supreme Court in case of "VVF Ltd and others". Based on the said judgment of the Hon'ble High Court in favour of the company and legal opinion obtained by the company, the differential excise duty refund of Rs. 111.09 lakhs (P.Y.Rs. 223.19 Lakhs) has been recognized as revenue in the book of accounts.
- 2.30 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

A CSR Committee has been formed by Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- a) Gross Amount required to be spent by the company during the year is Rs.57.04 Lacs, (P.Y. Rs.40.52 Lacs)  
b) Amount spent during the year on:

Particulars	(Rs.in Lakhs)	
	31.12-16	2015-16
Education	20.00	20.00
Preventive healthcare	1.50	25.00
Health Care, poverty and Malnutrition	42.84	17.34
	<b>64.34</b>	<b>62.34</b>



2.31 Related party Disclosures

<b>A</b>	<b>Names of the related parties where control exists</b>	<b>Nature of relationship</b>
	Star Ferro and Cement Limited(SFCL)	Holding Company ( Refer Note No.2.26)
	Megha Technical & Engineers Private Limited (MTEPL)	Subsidiary Company
	Star Cement Meghalaya Limited (SCML)	Subsidiary Company
	Meghalaya Power Limited (MPL)	Subsidiary Company
	NE Hills Hydro Limited (NEHL)	Subsidiary Company
	Star Century Global Cement Private Limited (SCGCPL)	Subsidiary Company ( w.e.f 20.06.16)
<b>B</b>	<b>Others-with whom transactions have taken place during the period</b>	
<b>I</b>	<b>Names of other related parties</b>	<b>Nature of relationship</b>
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
<b>II</b>	<b>Key Management Personnel</b>	
	<b>Names of other related parties</b>	<b>Nature of relationship</b>
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem kumar Bhajanka	Director
	Mr. Sanjay Kr. Gupta	CEO
	Mr Manoj Agarwal	Company Secretary
<b>III</b>	<b>Relatives of Key Management Personnel</b>	
	<b>Names of the related parties</b>	<b>Nature of relationship</b>
	Mr.Rahul Chamaria	Son of Mr. Rajendra Chamaria
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria

Details of transactions between the Company and related parties and the status of outstanding balance as at 31<sup>st</sup> December '2016

( Rs. in Lacs)

SI No.	Types of Transactions	Holding Company		Subsidiaries		Enterprises influenced by KMP		Key Management Personnel	
		31.12.16	2015-16	31.12.16	2015-16	31.12.16	2015-16	31.12.16	2015-16
1	<b>Purchase Transactions</b>								
	SCFL	-	-	-	-	29.34	23.12	-	-
	MPL	-	-	2,650.29	3,661.57	-	-	-	-
	SCML	-	-	21,394.80	32,701.66	-	-	-	-
2	<b>Sale Transactions</b>								
	MTEPL	-	-	10.96	875.82	-	-	-	-
	SCML	-	-	31.20	8.21	-	-	-	-
	MPL	-	-	7.84	1.98	-	-	-	-
	CPIL	-	-	-	-	-	9.12	-	-
3	<b>Services Rendered</b>								
	MTEPL	-	-	4.64	4.85	-	-	-	-
4	<b>Service Received</b>								
	SCML	-	-	-	13.77	-	-	-	-
5	<b>Purchase of Capital Goods</b>								
	MTEPL	-	-	-	0.41	-	-	-	-
6	<b>Loan &amp; advances Taken</b>								
	MTEPL	-	-	-	11,500.00	-	-	-	-
	Mr. Sanjay Agarwal	-	-	-	-	-	-	2,500.00	-





## Notes to financial statements [Contd.]

STARCEMENT

	Mr. Sajjan Bhajanka	-	-	-	-	-	-	1,700.00	-
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	-	250.00
7	<b>Loan &amp; advances repaid</b>								
	MTEPL	-	-	750.00	7,000.00	-	-	-	-
	Mr. Prem kumar Bhajanka	-	-	-	-	-	-	-	1,350.00
8	<b>Interest Paid</b>								
	MTEPL	-	-	1,043.30	1,103.49	-	-	-	-
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	165.86	297.00
	Mr. Sajjan Bhajanka	-	-	-	-	-	-	2.35	-
	Mr. Sanjay Agarwal	-	-	-	-	-	-	2.76	-
9	<b>Remuneration Paid</b>								
	Mr. Sajjan Bhajanka	-	-	-	-	-	-	45.00	60.00
	Mr. Rajendra Chamaria	-	-	-	-	-	-	49.50	66.00
	Mr. Sanjay Agarwal	-	-	-	-	-	-	45.00	60.00
	Mr. Sanjay Kumar Gupta	-	-	-	-	-	-	60.68	84.78
	Mr. Rahul Chamaria	-	-	-	-	-	-	22.50	30.00
	Mr. Sachin Chamaria	-	-	-	-	-	-	19.00	24.00
	Mr. Manoj Agarwal	-	-	-	-	-	-	30.21	41.89
10	<b>Investment made</b>								
	SCGCPL	-	-	20.03	-	-	-	-	-
11	<b>Balance Outstanding as at 31.12.16</b>								
	<b>Creditors</b>								
	SCFL	-	-	-	-	5.22	-	-	-
	MPL	-	-	638.00	344.16	-	-	-	-
	SCML	-	-	4,908.17	1,537.99	-	-	-	-
	MTEPL	-	-	298.08	-	-	-	-	-
	<b>Debtors</b>								
	MPL	-	-	9.82	1.98	-	-	-	-
	SCML	-	-	557.10	-	-	-	-	-
	<b>Advance :( Given)</b>								
	SICL	-	-	-	-	35.05	35.00	-	-
	<b>Loans :( Taken)</b>								
	MTEPL	-	-	13,501.30	13,208.00	-	-	-	-
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	2,365.86	2,256.66
	Mr. Sanjay Agarwal	-	-	-	-	-	-	2,502.76	-
	Mr. Sajjan Bhajanka	-	-	-	-	-	-	1,702.35	-
	<b>Guarantees Obtained</b>								
	Mr. Sajjan Bhajanka	-	-	-	-	-	-	43,490.48	41,206.92
	Mr. Rajendra Chamaria	-	-	-	-	-	-	31,677.98	36,206.92
	Mr. Sanjay Agarwal	-	-	-	-	-	-	34,490.48	39,206.92
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	31,677.98	36,206.92
	<b>Guarantees Provided</b>								
	MTEPL	-	-	1,700.00	1,800.00	-	-	-	-
	SCML	-	-	-	8,654.77	-	-	-	-



Investments:									
MTEPL	-	-	2,734.64	2,734.64	-	-	-	-	-
SCML	-	-	17,414.67	17,414.67	-	-	-	-	-
MPL	-	-	3,568.31	3,568.31	-	-	-	-	-
NE Hills Hydro	-	-	7.00	7.00	-	-	-	-	-
SCGCPL	-	-	20.03	-	-	-	-	-	-

**2.32 Contingent Liabilities**

(Rs in Lakhs)

	31.12.2016	31-03-16
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances)	705.75	125.23
Claims against the company not acknowledge as debts – Excise VAT/Income Tax matters/Royalty etc.	441.34	666.29
Guarantee provided to banks against borrowings of subsidiaries	1700.00	1,0454.77
Bill of exchange discounted with banks	218.52	17.22
Duty saved under EPCG scheme	46.65	46.65
Bank Guarantees issued by Banks	2856.77	289.21
Letters of Credit issued by Bank	905.14	162.22
Solvent surety furnished to Excise Department against differential excise duty refund ( Refer note no 2.29)	1200.00	920.20

**Note:** Based on discussion with the solicitors / favorable decisions in similar cases/legal opinion taken by the company, the Management believes that the company has a good chance of success in cases mentioned here-in-above and hence, no provision There against is considered necessary.

**2.33 Employee Defined Benefits**

## Defined Contribution Plans

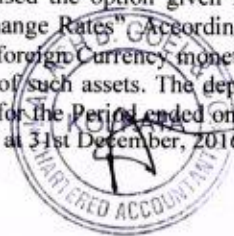
- (a) The Company has recognized an expense of Rs 173.05 Lakhs (Previous year – Rs. 199.11 Lakhs) towards the defined contribution plans.
- (b) The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarize the components of net benefit expenses recognized in statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity. Under leave encashment scheme, the company allows its employees to encash accumulated leave over and above thirty days at any time during the year. The scheme is not funded by company.

	31.12.2016		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I Expense recognized in the Statement of Profit and Loss</b>				
1. Current Service Cost	45.88	58.88	53.18	56.51
2. Interest Cost	15.46	11.39	17.59	12.25
3. Employee Contribution	-	-	-	-
4. Expected Return on Plan Assets	(9.69)	-	(10.20)	-
5. Actuarial (Gains)/Losses	5.46	10.42	17.72	29.78
6. Past Service Cost	-	-	-	-
7. Settlement Cost	-	-	-	-



8. Losses/(gains) on acquisition/divesture	-	11.80	-	-
9. Total Expense	57.12	92.49	78.29	98.54
<b>II Net Asset/(Liability) recognized in the Balance Sheet</b>				
1. Present Value of Defined Benefit Obligation	307.44	232.27	254.58	181.87
Add: Amount adjusted pursuant to scheme of Amalgamation	5.20	5.70	-	-
2. Fair Value of Plan Assets	194.05	-	158.18	-
3. Funded Status [Surplus/(Deficit)]	(118.59)	(237.97)	(96.40)	(181.87)
4. Net Asset/ (Liability)	(118.59)	(237.97)	(96.40)	(181.87)
<b>III Change in Obligation during the Period</b>				
1. Present value of Defined Benefit Obligation at the beginning of the year	254.58	181.87	183.92	123.47
2. Current Service Cost	45.88	58.88	53.18	56.51
3. Interest Cost	15.46	11.39	17.59	12.25
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Liabilities assumed on acquisition/(settled on divesture)	-	-	-	-
8. Actuarial (Gains )/Losses	4.06	22.22	15.75	29.78
9. Benefits Payments	(12.54)	(42.09)	(15.86)	(40.14)
10. Present Value of Defined Benefit Obligation at the end of the year	307.44	232.27	254.58	181.87
<b>IV Change in assets during the Period</b>				
1. Plan Assets at the beginning of the year	158.18	-	96.84	-
2. Assets acquired on amalgamation in previous year	-	-	-	-
3. Settlements	-	-	-	-
4. Expected return on plan assets	9.69	-	10.2	-
5. Contributions by employer	40.13	42.09	68.97	40.14
6. Actual Benefit Paid	(12.54)	(42.09)	(15.86)	(40.14)
7. Actuarial Gains/(Losses)	(1.40)	-	(1.97)	-
8. Plan Assets at the end of the year	194.05	-	158.18	-
9. Actual Return on plan assets	8.28	-	8.23	-
<b>V The major categories of plan assets as a percentage of the fair value of total plan assets</b>				
1. Funded with insurer	100%	0.00%	100.00%	0.00%
<b>VI The Principal actuarial assumptions are as follows</b>				
Discount rate	7.30%	7.30%	8.00%	8.00%
Expected Return on plan assets	7.30%	0.00%	8.00%	0.00%
Salary Increase	6.00%	6.00%	6.00%	6.00%
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	Varying between 8% per annum to 1% per annum depending on duration and age of the employees			

- 2.34 The Company had exercised the option given in paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance use life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the period ended on 31st December, 2016 is Rs 83.60 lacs, (PY Rs. 120.38 lacs). The unamortized portion carried forward as at 31st December, 2016 is Rs 524.49 lacs, (as at 31.03.15 Rs. 561.47 lacs).



2.35 Earning Per Share (EPS)

	(Rs. in Lakhs)	
	31-12-2016	31-03-16
Profit/(Loss) Attributable to Equity Shareholders	1633.89	5,630.36
Equity Share Capital	4,192.14	4,192.14
Weighted average number of equity shares outstanding for basic EPS (Face value of Rs1/- per share)	41,92,13,920	41,92,13,920
Weighted average number of equity shares outstanding for diluted EPS (Face value of Rs 1/- per share)	41,92,13,920	41,92,13,920
<b>Basic Earnings Per Share (RS)*</b>	0.39	1.34
<b>Diluted Earnings Per Share (RS)*</b>	0.39	1.34

2.36 Capital Work-in-progress includes:-

	(Rs in Lakhs)	
	31-12-2016	31-03-2016
Expenditure during construction for project as under:-		
Opening Balance	4,071.92	2,151.88
Addition during the period	1,939.33	3,564.76
Less:- Capitalized during the period	478.17	1,644.71
<b>Balance included in capital work in progress</b>	<b>5,533.08</b>	<b>4,071.93</b>

## 2.37

a) Value of imported and indigenous stores &amp; spare parts consumed and their percentage to total consumption:

	31-12-2016		2015-16	
	(Rs. in Lakhs)	%	(Rs. in Lakhs)	%
<b>Stores &amp; Spares</b>				
Imported	92.77	24.52	65.73	9.06
Indigenous	285.55	75.48	659.64	90.94
	<b>378.32</b>	<b>100%</b>	<b>725.37</b>	<b>100%</b>

b) Value of Export calculated on FOB basis

	(Rs. In Lakhs)	
	31-12-2016	2015-16
Cement	269.42	105.10

c) Expenditure incurred in foreign currency:

	(Rs.in Lakhs)	
	31-12-2016	2015-16
Interest	140.10	193.29
Stores, Spare parts and Components	63.21	92.22
Others	2.11	0.76
<b>Total</b>	<b>205.43</b>	<b>286.27</b>



## d) Unhedged Foreign Currency Exposure:

	As on 31.12.16			As on 31.03.16		
	Foreign Currency	In Million	Rs in Lacs	Foreign Currency	In Million	Rs in Lacs
ECB	USD	2.37	1613.68	USD	3.25	2158.90
FCNRRB-Demand Loan	USD	4.51	3066.43	USD	4.46	2956.89

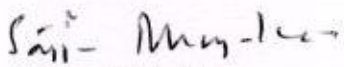
2.38 Previous year's figures have been regrouped and/or rearranged wherever necessary, to confirm to current period classification.

2.39 Previous year figure are not comparable with current period of nine months.

## For &amp; on behalf of the Board

For Kailash B. Goel & Co.  
Firm Registration No.322460E  
Chartered Accountants

  
Dilip Kr. Agarwal  
Chief Financial Officer

  
Sajjan Bhajanka  
Chairman & Managing Director  
DIN 00246043



CA. Arun Kumar Sharma  
Partner  
M.No.- 57329  
Place: Kolkata  
18<sup>th</sup> March, 2017

  
Manoj Agarwal  
Company Secretary

  
Sanjay Agarwal  
Managing Director  
DIN 00246132



## Notes to financial statements [Contd.]

### Principles of Consolidation

- (a) In accordance with Accounting Standard 21 on "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India, the consolidated financial statements have been prepared on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profits / losses on intra group transactions, and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (b) The excess/shortfall of cost to the company of its investments in the subsidiary companies , over the net assets at the time of acquisition in the subsidiaries as on the date of investment is recognised in the financial statements as goodwill/capital reserve as the case may be.
- (c) The subsidiary companies considered in the financial statements are as follows

Name	Country of Incorporation	% of Voting Power as on 31.12.2016
Megha Technical & Engineers Private Limited (MTEPL)	India	100.00
Star Cement Meghalaya Limited (SCML)	India	87.49
Meghalaya Power Limited (MPL)	India	51.00
NE Hills Hydro Limited (NeHHL)	India	100.00
Star Century Global Cement Private Limited (SCGCPL) (w.e.f 20.06.16)	Myanmar	100.00

- (d) The parent and the subsidiaries provide depreciation on Written Down Value method except the Power Division of MTEPL, where depreciation is provided on Straight-Line Method (SLM) in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing deprecation specified in Part 'C' thereof. The parent and subsidiaries have adopted uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.
- (e) In terms of Accounting Standard-21 notified under Companies (Accounting Standards) Rules , 2006, Minority interest has been computed in respect of non -fully owned subsidiaries and adjusted against the consolidated income of the group in order to arrive at the net income attributable to shareholders of the company
- (f) Reserves shown in the Consolidated Balance Sheet represent the Group's share in the respective reserves of the Group Companies. Retained earnings comprise General Reserve and Profit and Loss Account.



**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE MEMBERS OF STAR CEMENT LIMITED (FORMERLY CEMENT MANUFACTURING COMPANY LIMITED)**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Star Cement Limited (formerly Cement Manufacturing Company Limited)** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 December 2016, the consolidated statement of profit and loss for the period ended from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> December, 2016, the consolidated cash flow statement for the period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 December 2016, and their consolidated profit for the period ended from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> December, 2016 and their consolidated cash flows for the period ended on that date.

The accompanying consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India, solely to comply with requirement for furnishing latest financial statements in the Information Memorandum to be submitted to the Stock Exchanges/Governing bodies for listing of shares.

Reference is drawn to Note 2.26 regarding the Scheme of Amalgamation ("The Scheme") between Star Ferro and Cement Limited (SFCL) and the Company as approved by the National Company Law Tribunal, Guwahati Bench vide its order dated 7th February, 2017, effect of which has been given in these financial statements, except allotment of the share capital

### **Report on Other Legal and Regulatory Requirements**

1. We have not audited the financial statements of a subsidiary (NE Hills Hydro Limited and STAR CENTURY GLOBAL CEMENT PRIVATE LIMITED), whose financial statements reflect total assets worth of Rs. 7.33 Lacs and 20.03 Lacs as at 31st December, 2016. The financial statements and other financial information of NE Hills Hydro Limited have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of the other auditor. The financial statements and other financial information of STAR CENTURY GLOBAL CEMENT PRIVATE LIMITED have not been audited as at 31st December, 2016.

2. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.







70 Ganesh Chandra Avenue, 1<sup>st</sup> Floor, Kolkata 700 013. Tele- Fax : 22151938 Email : kbgco@yahoo.co.in

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This Report is furnished solely for use set out for Listing of Shares of the Company and is not to be used for any other purpose or referred to in any document or distributed to anyone without our prior written consent.

**For KAILASH B. GOEL & CO.**  
**Firm Registration No.322460E**  
**Chartered Accountants**

*A. K. Sharma*

**CA. Arun Kumar Sharma**  
**Partner**  
**Membership No. 57329**

**Place : Kolkata**  
**Date : 18<sup>th</sup> March, 2017**



**STAR CEMENT LIMITED**

**(Formerly Cement Manufacturing Company Limited)**  
 Regd. Office: Lumshnong, P.O. Khaliehrait, Distt. Jaintia Hills, Meghalaya



**CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2016**

**(Rs. in Lacs)**

	Note	31.12.2016	31.03.16
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	4,192.14	4,192.14
Share Capital-Pending Allotment		0.15	-
Reserves and Surplus	2.2	108,245.24	101,342.06
		112,437.53	105,534.20
<b>Minority Interest</b>			
		5,721.93	5,303.70
<b>Non-current liabilities</b>			
Long Term Borrowings	2.3	38,515.49	38,433.05
Deferred Tax Liabilities (Net)	2.4	1,315.02	1,168.57
Other Long Term Liabilities	2.5	9,490.75	9,318.89
Long Term Provisions	2.6	425.67	267.75
		49,746.93	49,188.26
<b>Current liabilities</b>			
Short Term Borrowings	2.7	28,084.33	36,474.61
Trade Payables		13,271.54	14,038.73
Other Current Liabilities	2.8	35,397.62	35,901.74
Short Term Provisions	2.9	110.88	148.09
		76,864.37	86,563.17
<b>Total</b>		<b>244,770.77</b>	<b>246,589.34</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
-Tangible Assets	2.10	83,612.67	91,897.59
-Intangible Assets	2.10	15.50	15.99
-Capital Work in Progress (including pre-operative expenses)		6,617.31	4,897.05
		90,245.48	96,810.62
Non Current Investments	2.11	165.78	152.86
Long Term Loans and Advances	2.12	45,538.07	43,596.26
Other Non Current Assets	2.13	6.81	54.86
		135,956.14	140,614.59
<b>Current Assets</b>			
Inventories	2.14	18,758.23	20,916.41
Trade Receivables	2.15	39,081.79	44,880.17
Cash and Cash Equivalents	2.16	3,972.41	2,376.09
Short Term Loans and Advances	2.17	47,002.20	37,802.07
		108,814.63	105,974.74
<b>Total</b>		<b>244,770.77</b>	<b>246,589.34</b>
<b>Significant accounting policies and notes on accounts</b>	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kailash B Goel & Co.**  
 Firm Registration No.322460E  
 Chartered Accountants

**CA. Arun Kumar Sharma**  
 Partner

Place: Kolkata  
 Date 18th March, 2017



*Dilip Kr. Agarwal*  
**Dilip Kr. Agarwal**  
 Chief Financial Officer

*Manoj Agarwal*  
**Manoj Agarwal**  
 Company Secretary

**For & on behalf of Board**

*Saija*  
**Saija Bhajanka**  
 Chairman & Managing Director  
 DIN:00246043

*Sanjay Agarwal*  
**Sanjay Agarwal**  
 Managing Director  
 DIN:00246132

**STAR CEMENT**

**STAR CEMENT LIMITED**  
(Formerly Cement Manufacturing Company Limited)  
Regd. Office: Lumshnong, P.O. Khaliehrait, Distt. Jaintia Hills, Meghalaya

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER 2016**

(Rs. in Lacs)

	Note	2016-17 (From 01.04.16 to 31.12.16)	2015-16
<b>Income</b>			
Revenue from Operations (Gross)	2.18	124,677.24	176,341.11
Excise Duty		(3,794.63)	(4,838.17)
Revenue from Operations (Net)	2.19	120,882.61	171,502.94
Other Income		72.85	130.46
<b>Total Revenue</b>		<b>120,955.46</b>	<b>171,633.40</b>
<b>Expenses</b>			
Cost of Materials consumed	2.20	17,559.80	20,620.81
Purchase of Traded Goods		13,743.50	15,948.63
(Increase)/Decrease in Inventories	2.21	(880.93)	(2,018.39)
Employee Benefit Expenses	2.22	9,002.98	10,780.14
Finance Costs	2.23	5,941.97	8,336.76
Depreciation and Amortization Expenses		10,566.98	17,149.21
Other Expenses	2.24	57,582.47	86,233.10
<b>Total Expenses</b>		<b>113,516.77</b>	<b>157,050.26</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>7,438.69</b>	<b>14,583.14</b>
Exceptional items		(27.98)	(53.14)
<b>Profit/(loss) before tax</b>		<b>7,410.71</b>	<b>14,530.00</b>
<b>Tax Expenses</b>			
-Current Tax		1,759.39	3,231.89
Less: MAT Credit entitlement		(1,759.39)	(2,973.55)
-Net Current Tax		-	(258.34)
-Income Tax for earlier years		-	34.79
-Deferred Tax		191.01	302.49
<b>Profit/(loss) for the period</b>		<b>7,219.70</b>	<b>13,934.38</b>
- Minority Interest		(418.23)	(530.59)
<b>Profit/(loss) for the period (After Minority Interest)</b>		<b>6,801.47</b>	<b>13,403.79</b>
<b>Earnings Per Equity Share</b>			
Basic Earning Per Share		1.62	3.20
Diluted Earning Per Share		1.62	3.20

**Significant accounting policies and notes on accounts**

1 & 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kailash B Goel & Co.**

Firm Registration No.322460E  
Chartered Accountants

Partner  
M.No. 57329  
Place: Kolkata  
Date 18th March, 2017



*Dilip K. Agarwal*  
**Dilip K. Agarwal**  
Chief Financial Officer

*Manoj Agarwal*  
**Manoj Agarwal**  
Company Secretary

**For & on behalf of Board**

*Sajjan Bhajanka*  
**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

*Sanjay Agarwal*  
**Sanjay Agarwal**  
Managing Director  
DIN:00246132

**CEMENT MANUFACTURING COMPANY LIMITED**

Regd. Office & Works: Lumshnong, P.O. Khaliehrait, Distt. Jaintia Hills, Meghalaya

**CEMENT**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2016**

(Rs. in Lakhs)

PARTICULARS	2016-17 (From 01.04.16 to 31.12.16)	2015-16
<b>A Cash flow from operating activities</b>		
Net Profit/(Loss) before Tax and Exceptional Items	7,438.69	14,583.14
<b>Adjustments for :</b>		
Depreciation	10,566.98	17,149.21
Foreign Exchange Gain / (Loss)- Net	(22.84)	(44.69)
Interest Income	(72.85)	(130.46)
Finance Cost	5,941.97	8,336.76
Income Tax for Earlier year	-	(34.79)
Provision for Bad and Doubtful Debts ( Net of adjustments)	-	(47.53)
<b>Operating Profit before Working Capital changes</b>	<b>23,851.94</b>	<b>39,811.64</b>
<b>Adjustments for :</b>		
(Increase) /Decrease in Trade receivables	5,798.38	(13,852.26)
(Increase)/Decrease in Inventories	2,158.18	(10,001.93)
(Increase) /Decrease in Loans & Advances and other assets	(10,412.84)	(10,859.20)
Increase /(Decrease ) in Trade Payables,Other Liabilities and Provisions	1,392.85	7,449.65
<b>Cash Generated from Operations</b>	<b>22,788.51</b>	<b>12,547.91</b>
Direct Taxes- Refund / (Paid) - Net	(725.00)	(2,845.00)
<b>Net Cashflow from Operating Activities</b>	<b>22,063.51</b>	<b>9,702.91</b>
<b>B Cash flow from Investing Activities</b>		
Investment in Unquoted Equity Instruments	(12.93)	-
(Purchase)/sale of Fixed Assets( including Capital WIP)- *	(4,487.57)	(8,168.59)
(Purchase)/ sale of Fixed Assets	61.17	89.18
Fixed Deposits/Margin Money Given/(Repaid)	(102.67)	27.52
Interest Received	72.85	130.46
<b>Net Cash used in Investing Activities</b>	<b>(4,469.14)</b>	<b>(7,921.43)</b>
<b>C Cash Flow from Financing Activities</b>		
Interest paid	(5,941.97)	(8,336.76)
Proceeds from issue of Share Capital ( including Share Application Money)	-	-
Proceeds from /(Repayment of) Long Term Borrowings / Liabilities*	(1,888.52)	(10,607.79)
Proceeds from /(Repayment of) Short Term Borrowings	(8,390.28)	17,545.79
<b>Net Cash used in Financing Activities</b>	<b>(16,220.77)</b>	<b>(1,398.77)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents ( A+B+C)</b>	<b>1,373.60</b>	<b>382.71</b>
<b>Cash and Cash Equivalents</b>		
<b>Opening Balance</b>	<b>2,357.08</b>	1,974.37
Add: Transferred as per Scheme of Amalgamation (Refer note 2.26)	<b>72.02</b>	-
<b>Closing Balance**</b>	<b>3,802.69</b>	<b>2,357.08</b>

\*Excluding notional foreign exchange loss of Rs 419.53 lacs (P.Y Rs. 747.24 lacs) capitalized in accordance with para 46A of AS-11

\*\* Represents Cash and Bank Balances as indicated in Note-2.16, and excludes Rs.169.72 lacs (P.Y. Rs.19.01 lacs) being Bank Balances with restrictive use and maturity of more than three months.

As per our report of even date  
**For Kailash B Goel & Co.**  
Firm Registration No.322460E  
Chartered Accountants

*A.K. Sharma*

**CA. Arun Kumar Sharma**  
Partner  
M.No. 57329  
Place: Kolkata  
Date 18th March, 2017



*Dilip K. Agarwal*  
**Dilip K. Agarwal**  
Chief Financial Officer

*Manoj Agarwal*  
**Manoj Agarwal**  
Company Secretary

**For & on behalf of Board**  
*Saij*  
**Saij Bhanjanka**  
Chairman & Managing Director  
DIN:00246043

*Sanjay Agarwal*  
**Sanjay Agarwal**  
Managing Director  
DIN:00246132

## Notes to financial statements [Contd.]

### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies are consistently followed by the company and changes in accounting policy are separately disclosed.

#### 1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 1.3 Fixed Assets

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. Railway sidings the ownership of which vest with the Railway authorities are depreciated over five years. The Company and its Subsidiaries Star Cement Meghalaya Limited and Meghalaya power Limited has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", and accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

#### 1.4 Capital Work In Progress:

Capital work in progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on completion of construction.

#### 1.5 Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production / completion of project are capitalized.

#### 1.6 Depreciation:

Depreciation on Fixed Assets is provided on Written Down Value method, except the Power Division of MTEPL, where depreciation is provided on Straight-Line Method (SLM), in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually. Depreciation on amount capitalized pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' is provided over the balance useful life of depreciable fixed assets. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.



## Notes to financial statements [Contd.]

### 1.7 Investments:

Current Investments are stated at lower of cost and market value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

### 1.8 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of Inventories is computed on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 1.9 Retirement Benefits:

#### (i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit & Loss for the year when the contributions to the respective funds are due.

#### (ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

#### (iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the Statement of Profit & Loss.

### 1.10 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

### 1.11 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.



## Notes to financial statements [Contd.]

### **1.12 Foreign Currency Transactions and Balances**

Transactions in foreign currencies entered into by the Company are accounted at the exchanges rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short term foreign currency monetary assets and liabilities of the Company and its subsidiaries are recognized as income or expenses in the Statement of Profit and Loss. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates' in the case of the company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

### **1.13 Revenue Recognition**

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty and other taxes are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

### **1.14 Intangible Assets**

Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased /developed software are written off over a period of three years

### **1.15 Taxes on Income**

Tax expense comprises of current & deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future. Deferred tax assets / liabilities are reviewed as at Balance Sheet date based on developments during the year and available case laws to reassess realization / liabilities.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of MAT at each Balance Sheet date and adjusts MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

### **1.16 Government Grants and Subsidies**

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognized in the Statement of Profit and Loss as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve..

### **1.17 Research and Development Expenditure**

Revenue expenditure is charged to the Statement of Profit & Loss and capital expenditure is added to the cost of fixed assets in the year in which they are incurred.



## Notes to financial statements [Contd.]

### **1.18 Provisions and Contingencies**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.19 Segment Reporting**

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately accordingly to the nature of products/services, with each segment representing a strategic business unit that offers different product/services.

### **1.20 Cash & Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

### **1.21 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.





**STAR CEMENT LIMITED**

**(Formerly Cement Manufacturing Company Limited)**

**STAR CEMENT**

**Notes to Consolidated financial statements [Contd.]**

**(Rs. in Lacs)**

<b>2.1 - Share Capital</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Authorised Capital</b>	<b>6000.00</b>	<b>6000.00</b>
60,00,00,000 (60,00,00,000 as at 31.03.16) Equity Shares of Rs.1/- (PY Rs 1/-) each fully paid		
<b>Issued, Subscribed &amp; fully Paid -up shares</b>		
41,92,13,920 ( 41,19,21,392 as at 31.03.16) Equity Shares of Rs.1/- (PY Rs 1/- each fully paid )#	<b>4192.14</b>	<b>4192.14</b>

**a Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 1/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

<u>Equity Shares</u>	<u>No of Shares</u>	<u>No of Shares</u>
At the beginning of the year	419,213,920	419,213,920
Issued during the year	-	-
Outstanding at the end of the period	<b>419213920</b>	<b>419213920</b>

**c Shares held by Holding Company**

	<u>No of Shares</u>	<u>No of Shares</u>
Star Ferro and Cement Limited#	295,475,000	295,475,000

**d Details of Shareholders holding more than 5% of Equity Share capital**

<u>Name of the Shareholders</u>	<u>No of Shares</u> <u>% of holding</u>	<u>No of Shares</u> <u>% of holding</u>
Star Ferro and Cement Limited#	295,475,000 70.48%	295,475,000 70.48%
Sajjan Bhajanka	35,834,195 8.55%	35,625,000 8.50%
Rajendra Chamaria	27,565,140 6.58%	27,565,140 6.58%

# The existing share capital would be cancelled upon allotment of shares pursuant to Scheme of Amalgamation (Refer Note no. 2.26)

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership

<b>e Share Capital-Pending Allotment</b>	<b>31.12.2016</b>	<b>31.03.16</b>
Shares to be allotted as per Scheme of Amalgamation (net of shares to be cancelled on allotment, Refer Note no. 2.26)	0.15	-
	<b>0.15</b>	<b>-</b>

<b>2.2 -Reserves &amp; Surplus</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Capital Reserves</b>		
Balance as per last Account	23,833.70	23,833.70
Add: Amount adjusted pursuant to scheme of Amalgamation *	643.53	-
Addition/(Deduction) during the period	-	-
	<b>24,477.23</b>	<b>23,833.70</b>
<b>General Reserve</b>		
Balance as per last Account	3,820.00	3,820.00
Add: Amount adjusted pursuant to scheme of Amalgamation *	(632.17)	-
Addition during the period	-	-
	<b>3,187.83</b>	<b>3,820.00</b>
<b>Surplus as per Profit &amp; Loss Account</b>		
Balance as per last Account	73,688.35	60,284.57
Add: Amount adjusted pursuant to scheme of Amalgamation *	90.36	-
Profit/(loss) for the period	6,801.47	13,403.79
Amount available for appropriation	80,580.18	73,688.36
Net Surplus in the statement of profit and loss	<b>80,580.18</b>	<b>73,688.36</b>
<b>Total Reserves and Surplus</b>	<b>108,245.24</b>	<b>101,342.06</b>

\* Refer Note no 2.26



**(Formerly Cement Manufacturing Company Limited)****Notes to Consolidated financial statements [Contd.]**

	(Rs. in Lacs)	
	31.12.2016	31.03.16
<b>2.3 - Long Term Borrowings</b>		
<b>Term Loans</b>	20,902.64	30,408.80
-Rupee Loans from Banks (Secured)	2,812.50	3,000.00
-Rupee Loans from a Financial Institution (Secured)	8,995.02	2,895.02
-Rupee Loans from a Body Corporate (Secured)	14,707.88	18,563.43
- Foreign Currency Loan from Banks ( Secured)		
<b>Loans and Advances from a Related Party</b>	7,373.16	2,256.66
- From Directors (Unsecured)		
<b>Other Loans &amp; Advances</b>		0.14
-Hire Purchase Finance from a Body Corporate (Secured)	405.84	380.93
-Hire Purchase Finance from Banks (Secured)	55,197.03	57,504.99
	16,681.54	19,071.94
Less: Current Maturities of long term borrowings	<b>38,515.49</b>	<b>38,433.05</b>

- 1 Rupee Term Loan of Rs 7,000.00 lacs for the company's cement Plant at Lumshnong, Meghalaya, availed from a financial institution is repayable in 8 equal half yearly instalments commencing from September 2017. The loans are secured by pari passu first charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya.
- 2 Rupee Term Loans of Rs 9,277.98 lacs from banks are repayable in further 13 unequal quarterly instalments ending on December 2019. Foreign Currency loan of Rs 1,613.68 lacs from a bank is repayable in further 12 unequal quarterly instalments ending on December 2019. The loans are secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
- 3 Rupee Term Loan of Rs 2,812.50 lacs for the company's cement grinding unit at Guwahati, Assam availed from a financial institution is repayable in 16 equal quarterly instalments commencing from January 2017. The loan is proposed to be secured by first charge on fixed assets of Megha Technical & Engineers Private Limited, a wholly owned subsidiary of the company. Pending security creation the loan is temporarily secured by personal gurantee of some of the directors of the company.
- 4 Rupee Term Loans of Rs. 10,079.06 lacs from banks and Rs. 1,995.02 lacs from a body corporate are repayable in further 12 unequal quarterly instalments ending on December 2019. Foreign Currency Loan of Rs. 4,873.08 Lacs are repayable in further 12 unequal quarterly instalments ending on December 2019. Term Loans are secured by first charge on the fixed assets of the subsidiary's Cement clinker plant at Lumshnong, Meghalaya on pari passu basis.
- 5 Rupee Term Loan of Rs. 1,545.61 lacs from a bank is repayble in further 13 unequal quarterly installments ending on March 2020. Foreign currency loan of Rs. 8,221.11 lacs from a bank is repayble in further 12 unequal quarterly installments ending on December 2019 and Foreign currency loan of Rs. 278.57 lacs from a bank is repayable by 31st March 2017. These Term Loans are secured by first charge on the fixed assets of the subsidiary's power plants at Lumshnong, Meghalaya on pari-passu basis.
- 6 Hire Purchase Finance of Rs 245.83 lacs is secured by hypothecation of company's vehicles and is repayable within two to four years having varying date of payment.
- 7 Hire Purchase Finance from Banks and Body Corporates of Rs 160.01 lacs is secured by hypothecation of susidiary's vehicles / equipments and is repayable within three years having varying date of payment.
- 8 Term Loans of Rs. 23,470.88 Lacs from Banks have been guaranteed by some of the Directors of the Company.
- 9 The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.



<b>STAR CEMENT LIMITED</b>		
<b>(Formerly Cement Manufacturing Company Limited)</b>		
<b>Notes to Consolidated financial statements [Contd.]</b>		
<b>(Rs. in Lacs)</b>		
<b>2.4- Deferred Tax Liabilities(Net)</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Deferred Tax liability</b>		
-Fixed assets	1483.84	1261.99
Gross deferred tax liability	1483.84	1261.99
<b>Deferred Tax Assets</b>		
- Gratuity & Leave encashment	64.76	23.70
-Fixed assets	87.97	58.69
-Trade receivable	16.09	11.03
Gross deferred tax asset	168.82	93.42
<b>Net Deffered Tax Liability</b>	<b>1315.02</b>	<b>1168.57</b>

\* Deferred Tax Assets of Rs 44.56 Lacs transferred to the company pursuant to the Scheme of Amalgamation (Refer note no. 2.26)


<b>2.5- Other Long Term Liabilities</b>	<b>31.12.2016</b>	<b>31.03.16</b>
- Security deposit	9,154.65	8,935.65
-Retention Money	336.10	383.25
	<b>9,490.75</b>	<b>9,318.89</b>

<b>2.6- Long Term Provisions</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Provisions for employees</b>		
- Leave Encashment	289.58	161.22
- Gratuity	136.09	106.53
	<b>425.67</b>	<b>267.75</b>

<b>2.7-Short Term Borrowings</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Working Capital facilities from Banks</b>		
- Cash Credit (Secured)	10,792.50	20,022.49
	<b>10,792.50</b>	<b>20,022.49</b>
<b>Short Term Loan</b>		
- From Banks (Unsecured)	14,225.40	11,245.23
- Foreign Currency Demand Loan from a Bank (UnSecured)	3,066.43	2,956.89
- From a Body Corporate (Unsecured)	-	2,250.00
	<b>28,084.33</b>	<b>36,474.61</b>

- a. The above amount includes
- |                       |           |           |
|-----------------------|-----------|-----------|
| Secured borrowings    | 10,792.50 | 20,022.49 |
| Un Secured borrowings | 17,291.83 | 16,452.12 |
- b. Working Capital facilities of Rs 2,156.35 Lacs from banks are secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company's cement plant at Lumshnong ,Meghalaya. The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.
- c. Working capital facilities of Rs. 1,859.28 Lacs from banks are secured by pari passu first charge on current assets and pari passu second charge on fixed assets of the company's cement cement grinding unit at Guwahati, Assam.
- d. Working capital facilities of Rs 4.01 lacs from banks are secured by first charge on current assets and second charge on fixed assets of subsidiary's Cement Grinding unit at Lumshnong, Meghalaya on pari passu basis.
- e. Working capital facilities of Rs 4,632.71 lacs from banks are secured by first charge on current assets and second charge on fixed assets of subsidiary's Clinker unit at Lumshnong, Meghalaya on pari passu basis.
- f. Cash credit of Rs. 2,140.16 lacs from a bank is secured by first charge on subsidiary's current assets and second charge on fixed assets of subsidiary's power plants at Lumshnong, Meghalaya.
- g. Working Capital facilities of Rs 5,183.26 Lacs from Banks have been guaranteed by some of the Directors of the Company.
- h. Short term loan from banks is due for repayment on January, 2017 and Foreign Currency demand loan from a bank is due for repayment on March 2017.



<b>STAR CEMENT LIMITED</b>		
<b>(Formerly Cement Manufacturing Company Limited)</b>		
		
<b>Notes to Consolidated financial statements [Contd.]</b>		
<b>(Rs. in Lacs)</b>		
<b>2.8 -Other Current Liabilities</b>	<b>31.12.2016</b>	<b>31.03.16</b>
Current Maturities of long term borrowings	16,681.54	19,071.94
Interest accrued but not due on borrowings	29.94	138.87
<b>Other Payables</b>		
-Statutory Liabilities (including excise duty on finished goods Rs 263.51 Lacs, Rs. 73.38 Lacs as at 31.03.16)	3,302.96	2,068.04
-Creditors for Capital goods	20.65	150.79
-Advances from customer	1,428.60	2,186.02
-Salary and Bonus to employees	221.27	296.61
-Unclaimed dividends**	1.65	-
-Other Liabilities	13,711.01	11,989.47
	<b>35,397.62</b>	<b>35,901.74</b>

\*\* Amount to be transferred to the Investor Education and Protection Fund shall be determined on the respective due date

<b>2. 9 - Short Term Provisions</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Provisions for Employee Benefits</b>		
-Gratuity	71.17	50.06
-Leave Encashment	39.71	98.03
	<b>110.88</b>	<b>148.09</b>



**STAR CEMENT LIMITED**

**CEMENT**

**(Formerly Cement Manufacturing Company Limited)**

**Notes to Consolidated financial statements [Contd.]**

**2.10 - Fixed Assets**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.16	Additions	Deduction / Adjustment	Total as on 31.12.16	Upto 31.03.16	For the period	Deduction / Adjustment	Total as on 31.12.16	As on 31.12.16	As on 31.03.16
<b>A TANGIBLE ASSETS</b>										
Land & Site Development	7,043.34	801.46	-	7,844.80	-	-	-	7,844.80	7,844.80	7,043.34
Factory Building	20,156.26	90.57	-	20,246.82	6,691.52	965.97	-	12,589.34	12,589.34	13,464.74
Non Factory Building	8,892.44	68.16	-	8,960.60	3,933.84	610.80	-	4,415.96	4,415.96	4,958.60
Plant, Machinery & Equipments	123,769.63	929.61	77.61	124,621.63	59,314.12	8,396.74	34.22	67,676.65	66,944.99	64,455.51
Furniture & Fixtures	840.75	47.00	0.08	887.82	528.76	63.87	0.07	592.57	295.11	311.99
Office Equipments	536.33	24.81	4.53	565.66	434.43	30.52	-	464.95	91.66	101.90
Computers	783.83	29.09	1.43	814.35	653.36	59.61	0.68	712.29	99.21	130.47
Vehicles	4,013.49	320.29	115.33	4,218.45	2,714.66	366.14	97.70	2,983.10	1,235.34	1,298.63
Tools & Tackles	1,178.47	29.03	-	1,207.50	1,046.26	64.98	-	1,111.24	96.26	132.21
<b>Total - A</b>	<b>167,214.54</b>	<b>2,340.02</b>	<b>198.97</b>	<b>169,355.59</b>	<b>75,316.95</b>	<b>10,558.63</b>	<b>132.67</b>	<b>85,742.92</b>	<b>83,612.67</b>	<b>91,897.59</b>
Previous Year's figures	161,090.87	6,349.27	225.60	167,214.54	58,308.94	17,135.99	127.98	75,316.95	91,897.59	102,781.92

**B. INTANGIBLE ASSETS**

Computer Software	166.79	7.79	-	174.58	150.80	8.28	-	159.07	15.50	15.99
Previous Year's figures	152.35	14.44	-	166.79	137.47	13.33	-	150.80	15.98	14.88

a. During the year Company and its Subsidiaries has discarded fixed assets amounting to Rs 77.76 Lacs , (Previous Year Rs 130.43 Lacs ) and sold fixed assets amounting to Rs 121.22 Lacs, (Previous Year Rs 95.17 Lacs).

b. Depreciation for the year includes preoperative depreciation of Rs. 0.10 Lacs , (Previous Year 0.11 Lacs ) of proposed cement grinding unit at Siliguri.



**STAR CEMENT LIMITED**  
**(Formerly Cement Manufacturing Company Limited)**

**STAR CEMENT**

**Notes to Consolidated financial statements [Contd.]**

	(Rs. in Lacs)	
<b>2.11 -Non Current Investments</b>	31.12.2016	31.03.16
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Unquoted Equity Instruments</b>		
Ribhoi Engineering Company Private Limited 27,000 (27,000 as at 31.03.16) Equity Shares of of Rs. 10/- each fully paid up	2.70	2.70
Adonis Vyapaar Pvt. Ltd. 3,55,590 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	34.65	31.42
Apanapan Viniyog Pvt. Ltd. 3,55,590 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	34.65	31.42
Ara Suppliers Pvt Ltd 3,55,590 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	34.59	31.36
Arham Sales Pvt. Ltd. 3,55,590 (3,23,190 as at 31.03.16) Equity Share of Rs 10 each fully paid up	34.65	31.42
<b>Non Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Quoted Equity Instruments</b>		
Reliance Power Limited 8,743 (8,743 as at 31.03.16) Equity Shares of Rs 10/- each fully paid up	24.54	24.54
	<b>165.78</b>	<b>152.86</b>
Aggregate amount of Quoted investment (market Value Rs. 3.60 lacs as on 31.12.16)	24.54	24.54
Aggregate amount of Unquoted investments	141.25	128.32



**STAR CEMENT LIMITED**  
**(Formerly Cement Manufacturing Company Limited)**

**STAR CEMENT**

**Notes to Consolidated financial statements [Contd.]**

(Rs. in Lacs)

<b>2.12 - Long Term Loans and Advances</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Capital Advances</b>		
Unsecured, Considered Good	4,967.86	4,305.81
	<b>4,967.86</b>	<b>4,305.81</b>
<b>Security Deposits</b>		
Unsecured, Considered Good	784.72	802.51
	<b>784.72</b>	<b>802.51</b>
<b>Other Loans and advances</b>		
Unsecured, Considered Good		
-Balances with Statutory/Government authorities	2,239.02	1,840.22
-Subsidies/Incentives Receivable from Central/State Governments	21,219.50	21,219.50
-Advance Income Tax (net of provision for taxation ),including MAT Credit Entitlement	16,326.96	15,428.21
	<b>39,785.49</b>	<b>38,487.94</b>
	<b>45,538.07</b>	<b>43,596.26</b>

<b>2.13 -Other Non Current Assets</b>	<b>31.12.2016</b>	<b>31.03.16</b>
<b>Others</b>		
Balance with banks held as margin money deposits with original maturity of more than 12 months	6.81	54.86
	<b>6.81</b>	<b>54.86</b>

<b>2.14- Inventories</b>	<b>31.12.2016</b>	<b>31.03.16</b>
Raw Materials	4,515.29	2,798.85
Work - In - Process	247.41	226.39
Finished Goods [including in transit-Rs 512.73 Lacs ,As at 31.03.16 Rs 636.91Lacs] and Power inventory (with MeSCL) Rs. 1,185.53 Lacs, PY Rs.1,183.99 Lacs)	5,275.28	4,403.85
Stock in Trade [including in transit- Nil Lacs ,As at 31.03.16 Rs 38.39 Lacs]	337.22	348.74
Fuels, packing materials, etc.	4,260.79	9,289.51
Stores & Spares parts	4,122.24	3,849.07
	<b>18,758.23</b>	<b>20,916.41</b>



**STAR CEMENT LIMITED**  
(Formerly Cement Manufacturing Company Limited)

**STAR CEMENT**

**Notes to Consolidated financial statements [Contd.]**

(Rs. in Lacs)

	31.12.2016	31.03.16
<b>2.15- Trade Receivables</b>		
<b>Secured Considered Good</b>	293.86	253.24
Over Six months	3,705.34	4,757.15
Other debts	<b>3,999.19</b>	<b>5,010.39</b>
<b>Unsecured</b>		
<b>Over Six Months</b>	1,220.49	1,236.46
I Considered Good	131.03	140.44
Considered Doubtful	(131.03)	(140.44)
Less: Provision for Doubtful Debts	<b>1,220.49</b>	<b>1,236.46</b>
II Claims due from Central Government - Considered Good	20,183.61	14,650.82
<b>Other Debts</b>	9,528.58	18,999.94
I Considered Good	4,149.92	4,982.57
II Claims due from Central Government - Considered Good	<b>13,678.50</b>	<b>23,982.50</b>
	<b>39,081.79</b>	<b>44,880.17</b>

Note : Periodically, the Company evaluates realisability of all customer dues. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customers's ability to settle. The Company and its Subsidiaries normally provides for debtor dues outstanding for six months or longer from the invoice date , at the Balance Sheet date. The Company and its subsidiaries pursues the recovery of the dues, in part or full.

	31.12.2016	31.03.16
<b>2.16- Cash &amp; Cash Equivalents</b>		
Cash on Hand	33.08	81.30
Cheques In Hand	0.60	1,102.67
<b>Balance with Banks</b>	3,767.35	1,173.11
- In current accounts/cash credit accounts	1.65	-
- On unpaid Dividend Account		
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months.	169.72	19.01
	<b>3,972.41</b>	<b>2,376.09</b>

	31.12.2016	31.03.16
<b>2.17 - Short Term Loans and Advances</b>		
<b>Loans and advances to related parties</b>		
Unsecured, Considered Good	35.05	35.00
-Advances recoverable from an enterprise influenced by KMP	<b>35.05</b>	<b>35.00</b>
<b>Others</b>		
Secured Considered Good		
<b>Unsecured, Considered Good</b>	2,636.55	790.79
-Advances to suppliers	235.73	84.84
-Loan and advances to employees	3,105.59	3,978.62
-Balances with Statutory/Government authorities	36,747.61	29,303.52
-Subsidies /Incentives Receivable from Central/State Governments	3,952.32	3,230.32
-Advances for Services & Expenses	77.21	77.21
-Income Tax Refund Receivable	188.02	301.14
-Prepaid expenses		
<b>Unsecured, Considered Doubtful</b>	42.72	19.23
-Loan and advances to employees/Suppliers	(18.60)	(18.60)
Less: Provision for Bad & Doubtful advances	<b>46,967.15</b>	<b>37,767.07</b>
	<b>47,002.20</b>	<b>37,802.07</b>





**STAR CEMENT LIMITED**  
**(Formerly Cement Manufacturing Company Limited)**

**STAR CEMENT**

**Notes to Consolidated financial statements [Contd.]**

**(Rs. in Lacs)**

<b>2.18- Revenue from Operations</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Sale of Products</b>		
Domestic	123,215.05	171,960.41
Add: Captive Consumption	4.14	17.26
Export	1,076.57	3,807.53
	<b>124,295.76</b>	<b>175,785.20</b>
<b>Other Operating Income</b>		
Shortage Recovery of Cement & Clinker	299.28	356.00
Others	82.19	199.91
<b>Revenue from operation (gross)</b>	<b>124,677.24</b>	<b>176,341.11</b>

	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Details of Products Sold</b>		
Cement	116,902.97	161,718.20
Clinker	7,388.65	14,049.74
	<b>124,291.62</b>	<b>175,767.94</b>

<b>2.19 - Other Income</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Interest Income on</b>		
-Bank deposits	3.64	6.47
-others	0.18	41.97
<b>Miscellaneous Income</b>	69.02	82.02
	<b>72.85</b>	<b>130.46</b>

<b>2.20- Cost of Materials Consumed</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Inventory at the beginning of the year	2,798.85	1,657.80
Add: Purchases	19,276.24	21,761.86
	22,075.08	23,419.66
Less :Inventory at the end of the period	4,515.29	2,798.85
<b>Cost of materials consumed</b>	<b>17,559.80</b>	<b>20,620.81</b>

	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Details of Raw materials Consumed</b>		
Limestone	5,987.46	6470.16
Shale	235.72	419.20
Iron Mill Scale	74.78	188.40
Gypsum	635.08	798.08
Fly ash	5,583.46	7489.30
Others including freight on clinker	4,591.82	5165.25
Iron Ore (Fine)	451.47	90.43
	<b>17,559.80</b>	<b>20,620.81</b>



<b>STAR CEMENT LIMITED</b>		
<b>(Formerly Cement Manufacturing Company Limited)</b>		
<b>Notes to Consolidated financial statements [Contd.]</b>		
<b>(Rs. in Lacs)</b>		
<b>2.21 -(Increase) / Decrease in Inventories</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Work in Process</b>		
Opening Stock	226.39	191.75
Closing Stock	247.41	226.39
	<b>21.01</b>	<b>34.64</b>
<b>Finished Goods</b>		
Opening Stock	4,403.85	2674.87
Closing Stock	5,275.28	4403.85
	<b>871.43</b>	<b>1728.98</b>
<b>Stock in Trade</b>		
Opening Stock	348.74	93.97
Closing Stock	337.22	348.74
	<b>(11.52)</b>	<b>254.77</b>
<b>(Increase) / Decrease</b>	<b>(880.93)</b>	<b>(2018.39)</b>

	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
<b>Details of Finished goods</b>		
Cement	1,956.82	2961.75
Power	1,185.53	1183.99
Clinker	2,132.93	258.11
	<b>5,275.28</b>	<b>4403.85</b>

<b>2.22- Employee Benefit Expenses</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Salaries & Wages	8,421.50	10,029.03
Contribution to Provident Fund	253.65	297.09
Welfare Expenses	327.83	454.03
	<b>9,002.98</b>	<b>10,780.14</b>

<b>2.23 - Finance Costs</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Interest Expense		
-On Fixed Loans	3,523.13	5,267.64
- Others	2,284.45	2,673.83
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	53.84	169.75
Other finance Costs	80.55	225.54
	<b>5,941.97</b>	<b>8,336.76</b>



**STAR CEMENT LIMITED****(Formerly Cement Manufacturing Company Limited)****STAR CEMENT****Notes to Consolidated financial statements [Contd.]****(Rs. in Lacs)**

<b>2.24 -Other Expenses</b>	<b>2016-17 (From 01.04.16 to 31.12.16)</b>	<b>2015-16</b>
Consumption of Stores & Spares	535.00	1,089.50
Packing Materials	2,839.64	3,959.02
Power & Fuel	13,762.63	21,545.21
Repairs & Maintenance		
- Building	245.93	370.60
- Plant & Machinery	1,430.55	2,146.24
- Others	187.80	386.47
Heavy Vehicle / Equipment Running Expenses	859.39	978.67
Excise duty variation on opening/closing stock	251.63	175.74
Travelling and Conveyance	739.16	1,140.79
Insurance	274.23	301.24
Rent, Rates & Taxes	1,083.45	1,472.80
Research & Development Expenses	51.47	79.84
Charity & Donation	139.58	158.69
Miscellaneous Expenses	1,581.51	2,281.10
CSR Expenses	79.65	191.38
Advertisement & Publicity	1,295.78	3,330.10
Outward Freight Charges	19,602.27	29,598.47
Sales Promotion Expenses	3,033.00	3,463.94
Commission & Incentives	9,589.80	13,563.31
	<b>57,582.47</b>	<b>86,233.10</b>



## Notes to financial statements [Contd.]

### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies are consistently followed by the company and changes in accounting policy are separately disclosed.

#### 1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 1.3 Fixed Assets

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. Railway sidings the ownership of which vest with the Railway authorities are depreciated over five years. The Company and its Subsidiaries Star Cement Meghalaya Limited and Meghalaya power Limited has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", and accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

#### 1.4 Capital Work In Progress:

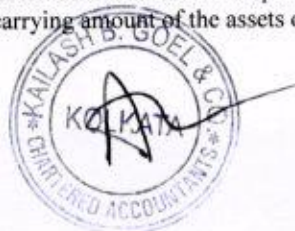
Capital work in progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on completion of construction.

#### 1.5 Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production / completion of project are capitalized.

#### 1.6 Depreciation:

Depreciation on Fixed Assets is provided on Written Down Value method, except the Power Division of MTEPL, where depreciation is provided on Straight-Line Method (SLM), in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually. Depreciation on amount capitalized pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' is provided over the balance useful life of depreciable fixed assets. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.



## Notes to financial statements [Contd.]

### 1.7 Investments:

Current Investments are stated at lower of cost and market value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

### 1.8 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of Inventories is computed on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 1.9 Retirement Benefits:

#### (i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit & Loss for the year when the contributions to the respective funds are due.

#### (ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

#### (iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the Statement of Profit & Loss.

### 1.10 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

### 1.11 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.



## Notes to financial statements [Contd.]

### **1.12 Foreign Currency Transactions and Balances**

Transactions in foreign currencies entered into by the Company are accounted at the exchanges rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short term foreign currency monetary assets and liabilities of the Company and its subsidiaries are recognized as income or expenses in the Statement of Profit and Loss. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates' in the case of the company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

### **1.13 Revenue Recognition**

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty and other taxes are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

### **1.14 Intangible Assets**

Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased /developed software are written off over a period of three years

### **1.15 Taxes on Income**

Tax expense comprises of current & deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future. Deferred tax assets / liabilities are reviewed as at Balance Sheet date based on developments during the year and available case laws to reassess realization / liabilities.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of MAT at each Balance Sheet date and adjusts MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

### **1.16 Government Grants and Subsidies**

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognized in the Statement of Profit and Loss as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve..

### **1.17 Research and Development Expenditure**

Revenue expenditure is charged to the Statement of Profit & Loss and capital expenditure is added to the cost of fixed assets in the year in which they are incurred.



## Notes to financial statements [Contd.]

### **1.18 Provisions and Contingencies**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.19 Segment Reporting**

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately accordingly to the nature of products/services, with each segment representing a strategic business unit that offers different product/services.

### **1.20 Cash & Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

### **1.21 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**Notes to financial statements [Contd.]**

- 2.25** In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

**2.26 Scheme of Amalgamation**

- (a) Pursuant to the Scheme of Amalgamation ("The Scheme") between Star Ferro and Cement Limited (SFCL) and the Company as approved by the National Company Law Tribunal, Guwahati Bench at Guwahati vide its order dated 7th February, 2017, all the assets and liabilities of SFCL have been transferred to and vested in the Company at their respective book values on a going concern basis with effect from 1st April, 2016 being the appointed date. The said order of the National Company Law Tribunal has been filed with the Registrar of Companies on 22nd February, 2017, the effective date of the scheme and accordingly, the Scheme of Amalgamation has been given effect to in these accounts. The said amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14 (AS -14) - "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India.

- (b) Details of Assets and Liabilities along with value of each of the assets and liabilities being transferred under the Scheme of Amalgamation as under

(Rs. In Laacs)

Particulars	Amount
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Deferred Tax Asset (Net)	44.56
<b>Total</b>	<b>44.56</b>
<b>Current Assets</b>	
Cash and Cash equivalents	72.02
Short Term Loans and Advances	4.10
<b>Total Assets</b>	<b>120.68</b>
<b>Total Liabilities</b>	
<b>Non-Current liabilities</b>	
Long Term Provisions	10.50
<b>Current liabilities</b>	
Other Current Liabilities	7.88
Short Term Provisions	0.43
<b>Total Liabilities</b>	<b>18.81</b>

- (c) Pursuant to the Scheme, the difference between book value of assets and liabilities transferred from the SFCL being Rs. 101.87 Lacs, has been Credited to Shareholders' Fund of the Company as Under :

(Rs. In Laacs)

Share Capital - Pending Allotment	0.15
Capital Reserve	643.53
General Reserve	(632.17)
Surplus As Per Statement of P&L	90.36
	<b>101.87</b>

- (d) Pursuant to the said Scheme of Amalgamation, the Company will issue and allot 1.33 Equity Shares of face value Re. 1/- to the shareholders of SFCL in lieu of 1 (one) Equity Share of face value Re. 1/- held by them in SFCL as fully paid - up. Upon such allotment of shares, all the Equity Shares held by SFCL, shall stand cancelled.
- (e) Consequent to the allotment of new shares as per the Scheme of Amalgamation, Current share capital of the Company would be increased by Rs. 0.15 Lac.





## Notes to financial statements [Contd.]

### 2.27 Capital and Other Commitments (to the extent not provided for)

	(Rs.in Lacs)	
	As at 31.12.2016	As at 31.3.2016
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	705.75	125.23

2.28 Against company's claim for refund of differential excise duty, Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the disputed amount against furnishing of solvent surety in line with the Interim Order dated 13th January, 2012 passed by Hon'ble Supreme Court in case of "VVF Ltd and others". Based on the said judgment of the Hon'ble High Court, in favour of the company and legal opinion obtained by the company, the differential excise duty refund of Rs. 111.09 Lacs (PY Rs. 223.19 Lacs) have been recognized as revenue in the book of accounts.

### 2.29 Contingent Liabilities

	(Rs in Lacs)	
	As at 31.12.2016	As at 31.3.2016
Claims against the company not acknowledged as debts – Excise /Income Tax Matters/Royalty etc	9,53.54	1,072.18
Guarantee provided to banks on behalf of Contractors		
Duty Saved under EPCG scheme	1030.07	1030.07
Bills of exchange discounted with banks	218.52	17.22
Bank Guarantees issued by banks	3,331.31	699.35
Letter of Credits issued by banks	905.14	162.22
Solvent surety furnished to Excise Department against differential excise duty refund	2,740.00	2,131.40

**Note:** Based on discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the company, the management believes that the company has a good chance of success in cases mentioned here-in-above and hence, no provision there against is considered necessary.

### 2.30 Unhedged Foreign Currency Exposure

	As at 31.12.2016			As at 31.03.16		
	Foreign Currency	In Millions	Rs In lacs	Foreign Currency	In Millions	Rs In lacs
FCNRB Term Loan	USD	0.41	278.57	USD	1.23	815.76
FCNRB Demand Loan	USD	4.51	3,066.43	USD	4.46	2,956.89
ECB Loan	USD	21.22	14,429.31	USD	26.76	17,747.67



Notes to financial statements [Contd.]

2.31 Related Party Disclosure

	Names of the related parties where control exists	Nature of relationship
<b>A</b>	Star Ferro and Cement Limited (SFCL)	Holding Company ( Refer Note No.2.26)
<b>B</b>	<b>Others-with whom transactions have taken place during the period</b>	
<b>I</b>	<b>Names of other related parties</b>	<b>Nature of relationship</b>
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
<b>II</b>	<b>Key Management Personnel</b>	
	<b>Names of other related parties</b>	<b>Nature of relationship</b>
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Pankaj Kejriwal	Managing Director in subsidiary
	Mr. Prem Kumar Bhajanka	Managing Director in subsidiary
	Mr.Sanjay Kr.Gupta	CEO
	Mr.Vishal Agarwal	CFO in subsidiary
	Mr. Vivek Lahoti	CFO in subsidiary
	Mr. Swarup Chand kayal	CFO in subsidiary
	Mr Manoj Agarwal	Company Secretary
	Mr Mohit Mahana	Company Secretary in subsidiary
	Mr. Kaushik Ranjan Saha	Company Secretary in subsidiary
<b>III</b>	<b>Relatives of Key Management Personnel</b>	
	<b>Names of the related parties</b>	<b>Nature of relationship</b>
	Mr.Rahul Chamaria	Son of Mr. Rajendra Chamaria
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria

(Rs in Lacs)

Sl. No.	Types of Transactions	Holding Company		Enterprises influenced by KMP		Key Managerial Personnel/ Relatives of KMP	
		31.12.2016	2015-16	31.12.2016	2015-16	31.12.2016	2015-16
<b>1</b>	<b>Purchase Transactions</b>						
	SCFL	-	-	29.34	23.12	-	-
<b>2</b>	<b>Sale Transaction</b>						
	CPII	-	-	-	9.12	-	-
<b>3</b>	<b>Loans &amp; advances taken</b>						
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	250.00
	Mr. Sanjay Agarwal	-	-	-	-	2,500.00	-
	Mr. Sajjan Bhajanka	-	-	-	-	2,500.00	-
<b>4</b>	<b>Loans &amp; advances repaid</b>						
	Mr. Prem Bhajanka	-	-	-	-	-	1,350.00
<b>5</b>	<b>Interest paid</b>						
	Mr. Prem Bhajanka	-	-	-	-	165.86	297.00
	Mr. Sanjay Agarwal	-	-	-	-	2.76	-
	Mr. Sajjan Bhajanka	-	-	-	-	4.53	-
<b>6</b>	<b>Remuneration Paid</b>						
	Mr. Sajjan Bhajanka	-	-	-	-	45.00	60.00
	Mr. Sanjay Agarwal	-	-	-	-	45.00	60.00
	Mr. Rajendra Chamaria	-	-	-	-	49.50	66.00
	Mr. Pankaj Kejriwal	-	-	-	-	31.50	42.00
	Mr.Prem Bhajanka	-	-	-	-	45.00	60.00
	Mr. Sanjay Kr. Gupta	-	-	-	-	60.68	84.78



**Notes to financial statements [Contd.]**

	Mr.Rahul Chamaria	-	-	-	-	22.50	30.00
	Mr. Sachin Chamaria	-	-	-	-	19.00	24.00
	Mr Manoj Agarwal	-	-	-	-	30.21	41.89
	Mr Vivek Lahoti	-	-	-	-	23.46	27.04
	Mr. Vishal Agarwal	-	-	-	-	6.65	7.80
	Mr. Swarup Chand kayal	-	-	-	-	11.09	9.61
	Mr. Mohit Mahana	-	-	-	-	3.72	3.53
	Mr. Kaushik Ranjan Saha	-	-	-	-	2.58	-
	Ms. Nupur Burman	-	-	-	-	-	3.63
	Mr. Kamal Kishore Sewoda	-	-	-	-	-	0.46
	Mr. Divyang Jain	-	-	-	-	-	0.36
7	<b>Balance Outstanding As on 31.12.2016</b>						
A	<b>Share Capital</b>						
	SFCL	-	2,954.75	-	-	-	-
	SCFL	-	-	3,373.50	3,373.50	-	-
B	<b>Loans &amp; Advances paid</b>						
	SICL	-	-	35.05	35.00	-	-
C	<b>Loans &amp; Advances taken</b>						
	Mr. Prem Kumar Bhajanka	-	-	-	-	2,365.86	2,256.66
	Mr. Sanjay Agarwal	-	-	-	-	2,502.76	-
	Mr. Sajjan Bhajanka	-	-	-	-	2,504.53	-
D	<b>Guarantees Obtained</b>						
	Mr. Sajjan Bhajanka	-	-	-	-	56,757.20	56,772.08
	Mr. Rajendra Chamaria	-	-	-	-	31,677.98	36,206.92
	Mr. Sanjay Agarwal	-	-	-	-	34,490.48	39,206.92
	Mr. Prem Kumar Bhajanka	-	-	-	-	43,316.13	49,606.32

**2.32 Segment Reporting**

(Rs in Laacs)

S L. N o.		31.12.2016				2015-16			
		Power	Cement	Unallocated	Total	Power	Cement	Unallocated	Total
<b>A</b>	<b>Revenue (Gross)</b>								
	External Sales	4.14	1,24,291.62	-	124295.76	17.26	175,767.94	-	1,75,785.20
	Inter Segment Sales	7,787.77	27,058.24	-	34,846.01	10,460.75	39,775.23	-	50,235.98
	Elimination	(7,787.77)	(27,058.24)	-	(34,846.01)	(10,460.75)	(39,775.23)	-	(50,235.98)
	Total Revenue (Gross)	4.14	1,24,291.62	-	124295.76	17.26	175,767.94	-	1,75,785.20
<b>B</b>	<b>Results</b>								
	Segment Result	1,672.06	11,201.12	-	12873.18	2,404.21	19,988.34	-	22,392.55
	Unallocated Income/ (Expenses) (Net)	-	-	-	507.48	-	-	-	527.35
	Interest & Finance Charges (Net)	-	-	-	5,941.97	-	-	-	(8,336.76)
	Operating Profit	-	-	-	7,438.69	-	-	-	14,583.14
	Exceptional Income	-	-	-	(27.98)	-	-	-	(53.14)



**Notes to financial statements [Contd.]**

	Provision for Taxation	-	-	-	<b>1,759.39</b>	-	-	-	<b>(3,231.89)</b>
	Mat Credit Entitlement	-	-	-	<b>(1,759.39)</b>	-	-	-	<b>2,973.55</b>
	Income Tax for earlier year	-	-	-	-	-	-	-	<b>(34.79)</b>
	Deferred Tax (Net)	-	-	-	<b>(191.01)</b>	-	-	-	<b>(302.49)</b>
	Profit after Tax (before minority interest)				<b>7,410.71</b>	-	-	-	<b>13,934.38</b>
	<b>Other Information</b>								
<b>A</b>	<b>Total Assets</b>								
	Segment Assets	28,448.51	2,12,673.70	-	<b>2,41,122.22</b>	30,050.22	212,902.49		<b>2,42,952.71</b>
	Unallocated Corporate/Other Assets	-	-	3,648.55	<b>3,648.55</b>	-	-	3,688.62	<b>3,688.62</b>
<b>B</b>	<b>Total Liabilities</b>								
	Segment Liabilities	14,628.06	1,10,597.25		<b>1,25,225.31</b>	17,148.05	116,188.77		<b>1,33,336.82</b>
	Unallocated Corporate/Other Liabilities	-	-	1,385.99	<b>1,385.99</b>	-	-	2,414.61	<b>2,414.61</b>
<b>C</b>	<b>Capital Expenditure</b>	405.85	3,463.25		<b>3,869.10</b>	1,103.22	5,834.76	-	<b>6,937.98</b>
<b>D</b>	<b>Depreciation</b>	1,434.35	9,132.62	-	<b>10,566.98</b>	1,959.34	15,189.87	-	<b>17,149.21</b>

\*External Sales include captive consumption

**2.33 Employee Defined Benefits**

- Defined Contribution Plans –The Company has recognized an expense of Rs.253.65 Laes (Previous year Rs. 297.09 lacs) towards the defined contribution plans.
- Define Benefit Plans - The Company has a defined benefit gratuity plan. Every employee who has completed five years or more service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summaries the components of net benefit expenses recognised in the Profit & Loss Account and the funded status and amounts recognised in the balance Sheet for the Gratuity.
- Under leave encashment scheme, the company allows its employees to encash accumulated leave over and above thirty days at any time during the year. The scheme is not funded by the company.
- Defined Benefit Plans – As per Actuarial Valuation as at 31<sup>st</sup> December'2016



Notes to financial statements [Contd.]

(Rs in Lacs)

	31.12.2016		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I Expense recognized in the Statement of Profit and Loss</b>				
1. Current Service Cost	66.49	81.40	78.55	78.93
2. Interest Cost	24.43	16.03	27.98	17.72
3. Employee Contribution	-	-	-	-
4. Expected Return on Plan Assets	(14.57)	-	(16.67)	-
5. Actuarial (Gains)/Losses	16.79	7.82	30.25	52.30
6. Past Service Cost	-	0.00	-	-
7. Settlement Cost	-	0.00	-	-
8. Losses/(gains) on acquisition/divestiture	(0.05)	11.80	(0.05)	-
9. Total Expense	93.05	115.54	120.06	148.94
<b>II Net Asset/(Liability) recognized in the Balance Sheet</b>				
1. Present Value of Defined Benefit Obligation	483.97	323.57	404.33	259.26
Add: Amount adjusted pursuant to scheme of Amalgamation *	5.20	5.70		
2. Fair Value of Plan Assets	281.91	-	247.75	-
3. Funded Status [Surplus/(Deficit)]	(207.26)	(329.27)	(156.58)	(259.26)
4. Net Asset/ (Liability)	(207.26)	(329.27)	(156.58)	(259.26)
<b>III Change in Obligation during the Year</b>				
1. Present value of Defined Benefit Obligation at the beginning of the year	404.33	259.26	293.33	182.46
2. Current Service Cost	66.49	81.40	78.55	78.93
3. Interest Cost	24.43	16.03	27.98	17.72
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Liabilities assumed on acquisition/(settled on divestiture)	6.63	(1.07)	-	-
8. Actuarial (Gains )/Losses	(0.84)	13.87	27.41	52.30
9. Benefits Payments	38.41	(45.92)	(22.93)	(72.15)
10. Present Value of Defined Benefit Obligation at the end of the year	539.50	323.13	404.33	259.26
<b>IV Change in assets during the Year</b>				
1. Plan Assets at the beginning of the year	247.75	-	168.99	-
2. Assets acquired on amalgamation in previous year	0.00	-	-	-
3. Settlements	0.00	-	-	-
4. Expected return on plan assets	14.57	-	16.67	-
5. Contributions by employer	47.58	52.74	87.81	72.15
6. Actual Benefit Paid	(26.53)	-52.74	(22.93)	(72.15)
7. Actuarial Gains/(Losses)	(1.44)	-	(2.79)	-
8. Plan Assets at the end of the year	281.92	-	247.74	-
9. Actual Return on plan assets	10.92	-	11.16	-
<b>V The major categories of plan assets as a percentage of the fair value of total plan assets</b>				



**Notes to financial statements [Contd.]**

1. Funded with insurer	100.00%	0.00%	100.00%	0.00%
<b>VI The Principal actuarial assumptions are as follows</b>				
Discount rate	7.30%	7.30%	8.00%	8.00%
Expected Return on plan assets	7.30%	0.00%	8.00%	0.00%
Salary Increase	6.00%	6.00%	6.00%	6.00%
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	Varying between 8% per annum to 1% per annum depending on duration and age of the employees			

**2.34** The Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited have exercised the option under in paragraph 46A of the Accounting Standard 11 (AS-11) - The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the period ended on 31st December, 2016 of the company is Rs. Laes 662.70, (PY. Rs. 691.69 laes). The unamortized portion carried forward as at 31st December, 2016 is Rs. 4826.97 laes (as at 31.03.16 Rs. 4,948.40 laes).

**2.35 Earnings Per Share (EPS)**

	(Rs in Laes)	
	31.12.2016	31.03.16
Profit/(Loss) Attributable to Equity Shareholders	6,801.47	13,403.79
Equity Share Capital	4,192.14	4,192.14
Weighted average number of equity shares outstanding for basic EPS ( Face Value of Rs. 1/- Per Share)	41,92,13,920	41,92,13,920
Weighted average number of equity shares outstanding for diluted EPS ( Face Value of Rs. 1/- Per Share)	41,92,13,920	41,92,13,920
<b>Basic Earnings Per Share (Rs)</b>	1.62	3.20
<b>Diluted Earnings Per Share(Rs)</b>	1.62	3.20

**2.36** Additional Information pursuant to Schedule III of the Companies Act, 2013

S I N O	Name of the entity	Net Assets i.e. total assets minus total liabilities				Share in profit /( loss)			
		As % of consolidated net assets		Amount (Rs. In Lac)		As % of consolidated profit or loss		Amount (Rs. In Lac)	
		31.12.2016	2015-16	31.12.2016	2015-16	31.12.2016	2015-16	31.12.2016	2015-16
	<b>Parent</b>	48.06%	50.21%	56,789.27	55,649.15	22.59%	40.38%	1,631.11	5,626.91
	<b>Subsidiaries</b>								
1	Megha Technical & Engineers Pvt Ltd	17.67%	19.45%	20,882.32	21,563.26	-10.25%	3.06%	(739.79)	425.86
2	Star Cement Meghalaya Ltd	26.32%	23.11%	31,095.93	25,617.66	75.83%	48.79%	5,474.85	6,798.77
3	Meghalaya Power Ltd	3.11%	2.44%	3,670.02	2,704.13	6.03%	3.96%	435.30	552.25
4	NE Hills Hydro Ltd	-	-	-	-	-	-	-	-
	<b>Foreign Subsidiary</b>								
1	Star Century Global Cement (P) Ltd.	-	-	-	-	-	-	-	-
	<b>Minority Interest in subsidiaries</b>	4.84%	4.79%	5,721.93	5,303.70	5.79%	3.81%	418.23	530.59
	<b>TOTAL</b>	100%	100%	1,18,159.47	110,837.90	100%	100%	7,219.70	13,934.38

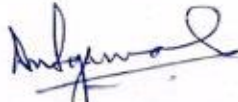


**Notes to financial statements [Contd.]**

- 2.37 Figures have been rounded off to the nearest Rs in Lacs.
- 2.38 Previous year's figures have been regrouped and/or rearranged wherever necessary, to confirm to current period classification.
- 2.39 Previous year figure are not comparable with current period of nine months.

**For & on behalf of the Board**

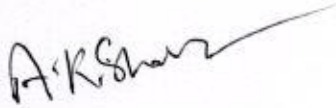
**For Kailash B. Goel & Co.**  
Firm Registration No.322460E  
Chartered Accountants



**Dilip Kr. Agarwal**  
Chief Financial Officer



**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN 00246043



**CA. Arun Kumar Sharma**  
Partner  
M.No.- 57329  
Place: Kolkata  
18<sup>th</sup> March, 2017



**Manoj Agarwal**  
Company Secretary



**Sanjay Agarwal**  
Managing Director  
DIN 00246132



**FINANCIAL AND OTHER INFORMATION OF COMPANIES UNDER THE SAME MANAGEMENT**

The top five companies which are the part of our group are as follows:

1. Shyam Century Ferrous Limited (SCFL)
2. Megha Technical & Engineers Private Limited (MTEPL)
3. Meghalaya Power Limited (MPL)
4. Star Cement Meghalaya Limited (SCML)
5. NE Hills Hydro Limited (NeHHL)

**1. Shyam Century Ferrous Limited (SCFL)**

Shyam Century Ferrous Limited was incorporated on April 12, 2011, under the Companies Act, 1956.

The Registered Office of the Company was situated at 6, Lyons Range, 1st Floor, Kolkata - 700001, West Bengal, within the jurisdiction of the Registrar of Companies, West Bengal. The Registered Office of the Company has been shifted to Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210 w.e.f. September 24, 2014 under the jurisdiction of Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

The Company is currently engaged in the business of manufacturing of Ferro Alloys having 27 MVA submersible arc furnaces at EPIP, Byrnihat, Meghalaya. The Company is also having a captive power plant of 13.8 MW in Meghalaya and holding of 83,58,998 Equity Shares of Rs.10/- each of Meghalaya Power Limited.

**Corporate Identity Number:** L27310ML2011PLC008578

**Board of Directors**

The Board of Directors of SCFL comprises of:

<b>Name</b>	<b>Status</b>
Mr. Sajjan Bhajanka	Director
Mr. Aditya Vimalkumar Agarwal	Director
Mr. Nagraj Tater	Director
Mr. Mangilal Jain	Independent Director
Mr. Santanu Ray	Independent Director
Mrs. Plistina Dkhar	Independent Director

**Shareholding Pattern**

The shareholding pattern of SCFL as on March 31, 2017 is as follows:

<b>Particulars</b>	<b>No. of shares</b>	<b>% of Shareholding</b>
Promoters and Promoters Group	13,69,32,656	61.63
Public	8,52,40,334	38.37
<b>Total</b>	<b>22,21,72,990</b>	<b>100.00</b>

**Change in Management**

There has been no change in the management of SCFL during the last three years.



## Financial Performance

Financial performance of SCFL for the last three years and nine months period ended December 31, 2016 are as follows:

(` in Lacs)

Particulars	Dec. 31, 2016*	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	6,008.86	11,363.42	11,591.00	0.42
Profit after Tax	68.55	107.40	532.21	0.21
Equity Capital	2,221.73	2,221.73	2,221.73	5.00
Reserves & Surplus (excluding revaluation reserve)	6,796.09	6,727.55	6,620.15	0.17
Net worth	9,017.82	8,949.28	8,841.88	5.17
NAV per share	4.06	1.35	1.35	1.03
Earnings per share (EPS) (Basic) in `	0.03	0.05	106.44	0.04
Earnings per share (EPS) (Diluted) in `	0.03	0.05	0.24	0.04
No. of Equity Shares of ` 1/- each	2221,72,990	222,172,990	222,172,990	500,000

\* Unaudited

Particulars of high and low prices of the shares of SCFL during the preceding six months are as under:

Months	BSE		NSE	
	High Price (`)	Low Price(`)	High Price (`)	Low Price(`)
October – 2016	7.40	6.00	7.50	6.00
November – 2016	9.20	6.65	9.50	6.65
December - 2016	11.52	7.33	11.25	7.30
January – 2017	9.13	7.55	9.35	7.55
February – 2017	9.15	7.05	9.00	7.05
March - 2017	9.11	7.00	9.25	6.95

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum – Nil

Details of public or rights issue in the preceding three years – Nil

Information regarding significant adverse factors related to the group companies:

- SCFL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- SCFL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- The Promoters have not disassociated themselves from SCFL during the three years preceding the date of filing the Information Memorandum.

## 2. Megha Technical & Engineers Private Limited (MTEPL)

Megha Technical & Engineers Private Limited was incorporated as a private limited company on December 13, 2002 under the Companies Act, 1956. The Registered Office of Megha Technical & Engineers Private Limited is situated at Vill. Lumshnong, P.O.: Khaliéhriat, Dist.: East Jaintia Hills, Meghalaya- 793 210. The Company is engaged in the business of manufacturing of cement and power generation.

**Corporate Identity Number:** U27107ML2002PTC006976

**Board of Directors**

The Board of Directors of MTEPL comprises of:

Name	Status
Mr. Pankaj Kejriwal	Managing Director
Mr. Hari Prasad Agarwal	Director
Mr. Rajesh Kumar Agarwal	Director
Mr. Mangilal Jain	Independent Director
Mr. Edmund Carmel Suja	Director
Mr. Santanu Ray	Independent Director

**Shareholding Pattern**

The shareholding pattern of MTEPL as on March 31, 2017 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	2,73,46,400	100.00
Public	-	-
<b>Total</b>	<b>2,73,46,400</b>	<b>100.00</b>

**Change in Management**

There has been no change in the management of MTEPL during the last three years.

**Financial Performance**

Financial performance of MTEPL for the last three years and nine months period ended December 31, 2016 are as follows:

Particulars	( in Lacs)			
	Dec.31, 2016*	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	12,486.19	15,271.35	19,799.78	24,252.35
Profit after Tax	-739.79	484.71	1910.64	121.80
Equity Capital	2,734.64	2,734.64	2,734.64	2,734.64
Reserves & Surplus (excluding revaluation reserve)	20,882.32	21,622.11	21,137.40	19,226.77
Net worth	23,616.96	24,356.75	23,872.04	21,961.41
NAV per share	86.36	89.07	87.30	80.31
Earnings per share (EPS) (Basic) in `	-2.71	1.77	6.99	0.45
Earnings per share (EPS) (Diluted) in `	-2.71	1.77	6.99	0.45
No. of Equity Shares of ` 10/- each	2,73,46,400	2,73,46,400	2,73,46,400	2,73,46,400

\*Audited

**Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum – Nil****Details of public or rights issue in the preceding three years – Nil****Information regarding significant adverse factors related to the group companies:**

- MTEPL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- MTEPL has not made loss in the immediately preceding year.
- MTEPL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.

- d. The Promoters have not disassociated themselves from MTEPL during the three years preceding the date of filing the Information Memorandum.

### 3. Meghalaya Power Limited (MPL)

Meghalaya Power Limited was incorporated as a public limited company on October 4, 2002 under the Companies Act, 1956 and received its certificate to commence business on February 8, 2007. The Registered Office of Meghalaya Power Limited is situated at Vill. Lumshnong, P.O.: Khaliéhriat, Dist.: East Jaintia Hills, Meghalaya- 793 210. The company is engaged in the business of generation of thermal power.

**Corporate Identity Number:** U40108ML2002PLC006921

#### Board of Directors

The Board of Directors of MPL comprises of:

Name	Status
Mr. Sanjay Kumar Agarwal	Managing Director
Mr. Prem Kumar Bhajanka	Director
Mr. Sajjan Bhajanka	Director
Mr. Mangilal Jain	Independent Director
Mr. Manindra Nath Banerjee	Independent Director
Mr. Lamshwa Kyndoh	Director
Mr. Rangbahduh Khonglah	Director

#### Shareholding Pattern

The shareholding pattern of MPL as on March 31, 2017 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	17,110,620	99.88
Public	20,000	0.12
<b>Total</b>	<b>17,130,620</b>	<b>100.00</b>

#### Change in Management

There has been no change in the management of MPL during the last three years.

#### Financial Performance

Financial performance of MPL for the last three years and nine months period ended December 31, 2016 are as follows:

Particulars	( in Lacs)			
	Dec 31, 2016*	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	7,919.20	11,030.20	10,322.76	8,606.48
Profit after Tax	853.53	1,082.84	544.66	151.33
Equity Capital	1,713.06	1,713.06	1,713.06	1,713.06
Reserves & Surplus (excluding revaluation reserve)	10,017.84	9,164.31	8,081.47	7,536.80
Net worth	11,730.90	10,877.37	9,794.53	9,249.86
NAV per share	68.48	63.50	57.18	54.00
Earnings per share (EPS) (Basic) in `	4.98	6.32	3.18	0.88
Earnings per share (EPS) (Diluted) in `	4.98	6.32	3.18	0.88
No. of Equity Shares of ` 10/- each	1,71,30,620	1,71,30,620	1,71,30,620	1,71,30,620

\* Audited

**Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum – Nil****Details of public or rights issue in the preceding three years – Nil****Information regarding significant adverse factors related to the group companies:**

- a. MPL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- b. MPL has not made loss in the immediate preceding financial year.
- c. MPL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- d. The Promoters have not disassociated themselves from MPL during the three years preceding the date of filing the Information Memorandum.

**4. Star Cement Meghalaya Limited (SCML)**

Star Cement Meghalaya Limited (SCML) was originally incorporated as a public limited company under the name and style of Meghalaya Logistics Limited on December 22, 2005 pursuant to Companies Act, 1956. It got its certificate for commencement of business on January 13, 2006. On March 12, 2007 the name changed to Star Cement Meghalaya Limited pursuant to a fresh certificate of incorporation. The Registered Office is situated at Vill. Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya- 793210.

The company is engaged in the business of manufacturing of clinker.

**Corporate Identity Number:** U63090ML2005PLC008011

**Board of Directors**

The Board of Directors of SCML comprises of:

<b>Name</b>	<b>Status</b>
Mr. Prem Kumar Bhajanka	Managing Director
Mr. Sanjay Agarwal	Director
Mr. Sajjan Bhajanka	Director
Mr. Rajendra Chamaria	Director
Mr. Pankaj Kejriwal	Director
Mr. Mangilal Jain	Independent Director
Mr. Santanu Ray	Independent Director
Mrs. Ibaridor Katherine War*	Director

\*Resigned with effect from 5th April, 2017.

**Shareholding Pattern**

The shareholding pattern of SCML as on March 31, 2017 is as follows:

<b>Particulars</b>	<b>No. of shares</b>	<b>% of Shareholding</b>
Promoters and Promoters Group	29,817,818	100.00
Public	-	-
<b>Total</b>	<b>29,817,818</b>	<b>100.00</b>

**Change in Management**

There has been no change in the management of SCML during the last three years.

**Financial Performance**

Financial performance of SCML for the last three years and nine months period ended December 31, 2016 are as follows:

Particulars	( ` in Lacs)			
	Dec 31, 2016*	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	33,584.98	51,523.97	47,726.44	35,790.33
Profit after Tax	5565.53	6,802.19	5,064.58	955.47
Equity Capital	2,981.78	2,981.78	2,981.78	2,981.78
Reserves & Surplus (excluding revaluation reserve)	48,602.83	43,037.30	36,235.11	31,170.52
Net worth	51,584.61	46,019.08	39,216.89	34,152.31
NAV per share	173.00	154.33	131.52	114.54
Earnings per share (EPS) (Basic) in `	18.67	22.81	16.99	3.20
Earnings per share (EPS) (Diluted) in `	18.67	22.81	16.99	3.20
No. of Equity Shares of ` 10/- each	2,98,17,818	2,98,17,818	2,98,17,818	2,98,17,818

\* Audited

**Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum – Nil**

**Details of public or rights issue in the preceding three years – Nil**

**Information regarding significant adverse factors related to the group companies:**

- SCML has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up
- SCML has not made loss in the immediate preceding financial year.
- SCML has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- The Promoters have not disassociated themselves from SCML during the three years preceding the date of filing the Information Memorandum.

**5. NE Hills Hydro Limited (NeHHL)**

NE Hills Hydro Limited (NeHHL) was originally incorporated as a public limited company under the name and style of Shyam Century Powertech Limited on May 29, 2007 pursuant to Companies Act, 1956. It got its certificate for commencement of business on June 28, 2007. On October 21, 2008 the name changed to NE Hills Hydro Limited pursuant to a fresh certificate of incorporation. The Registered Office is situated at Satyam Towers, 3 Alipore Road, Unit 9B, Kolkata, West Bengal – 700 027.

The company is engaged in the business of manufacturing of clinker.

**Corporate Identity Number:** U40104WB2007PLC116195

**Board of Directors**

The Board of Directors of NeHHL comprises of:

Name	Status
Mr. Sanjay Kumar Agarwal	Director
Mr. Rajesh Kumar Agarwal	Director
Mr. Mangilal Jain	Independent Director

**Shareholding Pattern**

The shareholding pattern of NeHHL as on March 31, 2017 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	7,00,000	100.00
Public	-	-
<b>Total</b>	<b>7,00,000</b>	<b>100.00</b>

**Change in Management**

There has been no change in the management of NeHHL during the last three years.

**Financial Performance**

Financial performance of NeHHL for the last three years and nine months period ended December 31, 2016 are as follows:

Particulars	(` in Lacs)			
	Dec 31, 2016*	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	-	-	-	-
Profit after Tax	-	-	-	-
Equity Capital	7.00	7.00	7.00	7.00
Reserves & Surplus (excluding revaluation reserve)	-	-	-	-
Net worth	7.00	7.00	7.00	7.00
NAV per share	1.00	1.00	1.00	1.00
Earnings per share (EPS) (Basic) in `	-	-	-	-
Earnings per share (EPS) (Diluted) in `	-	-	-	-
No. of Equity Shares of ` 10/- each	700,000	700,000	700,000	700,000

\* Audited

**Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum – Nil****Details of public or rights issue in the preceding three years – Nil****Information regarding significant adverse factors related to the group companies:**

- NeHHL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up
- NeHHL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- The Promoters have not disassociated themselves from NeHHL during the three years preceding the date of filing the Information Memorandum.

**V. LEGAL AND OTHER INFORMATION**

**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

• **Case Pending against Star Cement Limited :**

- (i) Six cases relating to Central Excise and Service Tax matter pending before CESTAT. The amount involved is Rs.4,51,32,540/-.
- (ii) One case relating to environment issues pending before National Green Tribunal, The case has been adjourned sine die until disposal of Company's writ petition pending before Guwahati High Court.
- (iii) One case relating to appeal filed by Union of India (N.F. Railways) challenging order of Railway Claim Tribunals, Guwahati about refund of over charge by N.F. Railways. The amount involved is Rs.7,88,960/-.

• **Case Pending against the Promoters**

As on the date there are no outstanding litigation pending against the Promoter.

• **Case Pending against the Directors**

As on the date there are no outstanding litigation pending against the Directors.

• **Case Pending against the Directors of Group Companies**

As on the date there are no outstanding litigation pending against the Directors of the Group Companies.

• **Material Litigations involving Group Companies**

1. Megha Technical & Engineers Private Limited (MTEPL):

- (i) Two cases relating to Excise Duty matters pending before CESTAT. The amount involved is Rs.2,34,13,780/-.
- (ii) Three cases relating to appeals filed by Union of India (N.F. Railways) challenging order of Railway Claim Tribunals, Guwahati about refund of over charge/terminal charge by N.F. Railways. The amount involved is Rs.3,77,566/-.

**FINANCIAL INDEBTNESS**

The details of borrowings of the Company as on December 31, 2016 are as under:

<b>Name of the Bank / Financial Institution</b>	<b>Sanctioned Amount (Rs. in crore)</b>	<b>Amount outstanding as on 31.12.2016 (Rs. in crore)</b>	<b>Rate of interest (%)</b>	<b>Repayment Schedule</b>	<b>Principle terms and security</b>
<b>1. Long Term Loan</b>					
Allahabad Bank - Rupee Term Loan	13.30	4.12	10.70	further 12 unequal quarterly instalments	secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
Bank of Baroda - Rupee Term Loan	60.87	20.08	10.85	further 12 unequal quarterly instalments	secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
Corporation Bank	32.97	10.92	10.15	further 12 unequal quarterly instalments	secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
Andhra Bank	24.09	7.65	10.75	further 12 unequal quarterly instalments	secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
Bank of Baroda - Corporate Loan	50.00	50.00	10.60	16 equal quarterly instalments	secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
North Eastern Development Finance Corporation Limited	30.00	28.13	10.50	further 15 equal quarterly instalments	secured by first charge on fixed assets of Megha Technical & Engineers Private Limited, a wholly owned subsidiary of the company.
Tata Capital Financial Services Limited	70.00	70.00	10.95	8 equal half yearly instalments	secured by pari passu first charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya.
Allahabad Bank - Foreign Currency Loan	42.50	16.15	3.44	further 12 unequal quarterly instalments	secured by pari passu first charge on fixed assets and pari passu second charge on current assets of the company's cement grinding unit at Guwahati, Assam.
<b>Loan from Related Parties</b>					
Loan from subsidiary	-	135.01	10.59	Repayable after 1 year	Unsecured loan



Name of the Bank / Financial Institution	Sanctioned Amount (Rs. in crore)	Amount outstanding as on 31.12.2016 (Rs. in crore)	Rate of interest (%)	Repayment Schedule	Principle terms and security
Loan From Director	-	65.71	10.08	Repayable after 1 year	Unsecured loan
<b>Hire Purchase Finance</b>					
ICICI Bank Ltd	0.78	0.63	0.09	49 Installment	Hypothecation of respective vehicles/asset
KOTAK MAHINDRA	0.27	0.19	Rs. 16,78,100-9.93% & Rs. 9,99,999-9.833%	23 Installment	Hypothecation of respective vehicles/asset
KOTAK MAHINDRA PRIME LIMITED	0.27	0.20	0.09	26 Installment	Hypothecation of respective vehicles/asset
ICICI BANK LIMITED	1.55	1.42	Rs. 4587400-9.39% & Rs. 10922000-9.49%	31 Installment	Hypothecation of respective vehicles/asset
<b>2. Short Term Loan</b>					
Yes Bank (In USD mn)	30.00 (4.51 USD mn)	30.66 (4.51 USD mn)	6ML+2.75 %	Repayable on demand	Unsecured loan
Axis Bank	50.00	5.75	9.25	Repayable on demand	Unsecured loan
HDFC Bank	70.00	66.50	9.50	Repayable on demand	Unsecured loan
SBI - WCDL (sub limit of CC)	89.00	50.00	9.05	Repayable on demand	Unsecured loan
<b>3. Cash credit</b>					
State Bank of India	89.00	1.79	10.45	Repayable on demand	First Paripassu charge on current assets of the company's Lumshnong and Guwahati Unit (Both Present and Future) along with other working capital lenders and second pari-passu charge on the fixed assets both movables & immovable assets (both present and future) of the company's Lumshnong Unit and Guwahati Unit along with other working capital lenders till the loan is repaid.
Allahabad Bank	61.00	11.11	10.20	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of grinding unit at guwahati, assam with other working capital lenders.

Name of the Bank / Financial Institution	Sanctioned Amount (Rs. in crore)	Amount outstanding as on 31.12.2016 (Rs. in crore)	Rate of interest (%)	Repayment Schedule	Principle terms and security
Corporation Bank	40.00	27.25	10.15	Repayable on demand	First Paripassu charge on current assets of the company's Lumshnong and Guwahati Unit (Both Present and Future) along with other working capital lenders and second pari-passu charge on the fixed assets both movables & immovable assets (both present and future) of the company's Lumshnong Unit and Guwahati Unit along with other working capital lenders till the loan is repaid.

## **GOVERNMENT APPROVALS**

Our Company was incorporated on November 2, 2001, under the Companies Act, 1956 as a public limited company under the name and style of Cements Manufacturing Company Limited. The registration no. assigned to our Company was 006663. The certificate of commencement of business was issued to the Company on September 19, 2002. The name of the Company was changed to Cement Manufacturing Company Limited vide fresh Certificate of Incorporation dated November 10, 2004, issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram. The name of the Company has been further changed from Cement Manufacturing Company Limited to Star Cement Limited and a fresh Certificate of Incorporation dated June 21, 2016 was issued by the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

The Registered Office of the Company is situated at Village Lumshnong, PO: Khaliehriat, Lumshnong, Meghalaya – 793210 since incorporation under the jurisdiction of Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

As on date of this Information Memorandum, the Company holds all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates required to carry on and continue the operations of Company.

Further, upon the Scheme becoming effective, any and the all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by the Star Ferro and Cement Limited and/or to which the Star Ferro and Cement Limited is entitled to in terms of the various Statutes and/or Schemes of Union and State Governments, shall stand vested in favour of our Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Company. Since the Undertaking of Star Ferro and Cement Limited transferred to and vested in the Company as a going concern without any break or interruption in the operation thereof, our 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 Star Ferro and Cement Limited on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which the Star Ferro and Cement Limited was entitled in terms of the various Statutes and/or Schemes of Union and State Governments shall be available to and vested in our Company upon this Scheme becoming effective.

## VI. REGULATORY AND STATUTORY DISCLOSURES

### Authority for the scheme

The Hon'ble High National Company Law Tribunal at Guwahati, vide its order dated February 7, 2017, has approved the Scheme of Amalgamation inter-alia providing for the amalgamation of Star Ferro and Cement Limited with Star Cement Limited. In accordance with the Scheme for Amalgamation, all property, rights and powers and all debts, liabilities, duties and obligations of SFCL stands transferred to and vested into SCL, w.e.f. April 1, 2016 (the Appointed Date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956.

### Prohibition by SEBI

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

### Disclaimer Statement by the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

### Listing

Application has been made to NSE and BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated National Stock Exchange of India Limited as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

### In Principle Approval from BSE & NSE

The Company has received in-principle approval for Listing from BSE bearing no. [●] dated [●] and from NSE bearing no. [●] dated [●].

### SEBI Relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

The Securities and Exchange Board of India has given relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the company vide their letter [●] dated [●].

### Disclaimer of NSE

As required, a copy of the Draft Information Memorandum was submitted to NSE. The NSE has vide its letter dated September 28, 2016 approved the Scheme of Amalgamation filed by Star Ferro and Cement Limited under Regulation 37 of the SEBI Listing Regulations. The NSE has vide its letter dated [●] has given approval for listing of 41,92,28,997 equity shares of Re.1/- each subject compliance of conditions mentioned therein.

### Disclaimer of BSE

As required, a copy of the Draft Information Memorandum was submitted to BSE. The BSE has vide its letter dated September 28, 2016 approved the Scheme of Amalgamation filed by Star Ferro and Cement Limited under Regulation 37 of the SEBI Listing Regulations. The BSE has vide its letter dated [●] has given approval for listing of 41,92,28,997 equity shares of Re.1/- each, subject compliance of conditions mentioned therein.

### No Objection from NSE & BSE

The NOC from both NSE & BSE was received on September 28, 2016.

## **Filing**

Copy of this Information Memorandum has been filed with NSE & BSE.

## **Demat Credit and dispatch of Share Certificates**

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE460H01021.

The Equity Shares have been allotted to the shareholders on April 8, 2017 and credited to the respective account of the shareholders who were holding shares in SFCL in demat form as on Record Date i.e. 3rd April, 2017. Further, those shareholders who were holding shares in SFCL in physical form as on Record Date, the physical shares certificates has been dispatched to them. Further, the equity shares have also been credited to the demat account of those shareholder who were holding shares in SFCL in physical form and have intimated the Company their demat account number for receiving shares in demat form.

## **Expert Opinions**

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

## **Previous Rights and Public Issues**

The Company has not made any public or rights issue since incorporation.

## **Commission and Brokerage on previous issues**

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

## **Companies under the same management**

The Company has following listed companies in the group:

1. Shyam Century Ferrous Limited.

## **Promise vis-a-vis Performance**

This is for the first time the Company is getting listed on the Stock Exchanges.

## **Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued By the Issuer Company**

There are no outstanding debentures, bonds, redeemable preference shares or any other instruments issued by the Company.

## **Stock Market Data for Equity Shares of the Company**

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of its equity shares through this Information Memorandum.

## **Disposal of Investor Grievances**

Maheshwari Datamatics Private Limited is the Registrars and Share Transfer Agents of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding in the respective processing units.

The documents are, thereafter, processed and necessary action taken by professionally trained personals with a view to

redress the matters accordingly.

The Company also has set up a secretarial department to deal with all investor related matters and all necessary actions are initiated by trained and experienced personnel with a view to redress the investor related issues at the earliest to the satisfaction of the investors.

Maheshwari Datamatics Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to and Mr. Manoj Agarwal, Company Secretary of the Company is vested with the responsibility of addressing the Investors Grievance in coordination with the Registrars & Share Transfer Agents.

## **MAIN PROVISION OF ARTICLES OF ASSOCIATION OF THE COMPANY**

### **4. Amount of Capital**

# \* The Capital of the Company is Rs. 83,00,00,000/- (Rupees Eighty Three Crores) only divided in 83,00,00,000 (Eighty Three Crores) Equity Shares of Re. 1/- (Rupee One) each.

Subject to the provision of Section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may, be special resolution, determine.

### **5. Increase of Capital by the Company and how carried in to effect**

The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to Dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

### **11. Sub-division consolidation and cancellation of Shares**

Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time (a) consolidate its Shares into shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any Share is sub-divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards Dividend, Capital or otherwise over or as compared with the other; provided, however, that no sub-division of shares held in physical form, which shall result in the shareholder getting a Share Certificate of a denomination of lesser than 10 shares, shall be permitted.

Subject as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

### **27. Share certificate to be numbered progressively and no Share to be subdivided**

The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

### **28. Limitation of time for issue of certificates**

Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of Shares shall be under the Seal of the Company which shall be affixed as prescribed in the Applicable Law and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board or Committee thereof may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

### **29. Issue of new certificate in place of one defaced, lost or destroyed**

If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket

expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Board shall prescribe.

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or Committee thereof and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Board shall prescribe.

Provided that notwithstanding what is stated above the Board or Committee thereof shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; provided further, that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares.

#### 48. Company to have lien on shares

The Company shall have a first and paramount lien upon all the shares/ Debentures/Securities (other than fully paid-up shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/Debentures/Securities and no equitable interest in any shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all Dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/ Debentures/ Securities.

#### 50. As to enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred shares shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### 52. Application of proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

#### 53. If call or installment not paid notice may be given

If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### 54. Form of notice

The notice aforesaid shall:

1. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made.
2. shall detail the amount which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.

#### 55. If notice not complied with Shares may be forfeited

If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.



56. Notice of forfeiture to a Member

When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

57. Forfeited Share to become property of the Company

Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit.

68. Instruments of transfer

The instrument of transfer shall be in the form prescribed under section 56 of the Act and rules made thereunder.

69. To be executed by transferor and transferee

Every instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (unless acting through a legal guardian and except in cases when they are fully paid up).

72. Board may refuse to register transfer

Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company.

75. Board to recognize Beneficial Owners of securities

Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.

78. Nomination

Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.

82. Persons entitled to share by Transmission

The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holders from the executor or administrator. Board may require him to obtain a grant of Probate or letters of Administration or other legal representation as the case may be from some competent Court.

91. No transfer to minor, insolvent etc.

No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

95. No fee on transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

98. Dematerialization of Securities

The Board or any Committee thereof shall be entitled to dematerialise Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.

99. Options for investors

Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.

## OTHER INFORMATION

### DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day between 11:00 a.m. and 1:00 p.m. from the date of filing of this Information Memorandum with the Stock Exchanges till the date of listing:

1. Memorandum and Articles of Association of SCL, as amended till date.
2. Memorandum and Articles of Association of SFCL.
3. Certification of incorporation.
4. Annual Accounts and Reports of the Statutory Auditors of the Company as mentioned in this Information Memorandum for the financial years 2013-14, 2014-15 and 2015-16 and nine months period ended December 31, 2016.
5. Annual Accounts of SFCL for the financial years 2013-14, 2014-15 and 2015-16.
6. Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal at Guwahati, vide its order dated February 7, 2017.
7. Certified copy of the order dated February 7, 2016 sanctioning the Scheme.
8. Notice convening meeting of shareholders to consider scheme of arrangement along with statement under section 391 to 394 of the Companies Act, 1956 and other document accompanying the same.
9. Report issued by Price Waterhouse & Co., LLP, Chartered Accountants on the share entitlement ratio to be allotted in consideration of the amalgamation and fairness opinion thereon of Microsec Capital Limited.
10. Receipt/proof of filing of the Scheme with ROC.
11. Letters issued by BSE and NSE according their no objection to the Scheme.
12. Tripartite Agreement between the Company, the RTA and NSDL dated March 14, 2006
13. Tripartite Agreement between the Company, the RTA and CDSL dated March 3, 2017
14. BSE letter No. [●] granting in-principle approval for listing.
15. NSE letter No. [●] granting in-principle approval for listing.
16. SEBI letter No. [●] granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1957 for listing of the shares of the Company.

**DECLARATION**

No statement made in this Information Memorandum shall contravene any of the provisions of the Companies Act, 2013 including any amendment or reenactment thereof and the rules made thereunder. All the legal requirements as also the Regulations, Guidelines, instructions, etc., issued by SEBI, Government or any other competent authority in respect of listing of securities have been duly complied with. All the statements and disclosures made in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors  
of STAR CEMENT LIMITED**

**SAJJAN BHAJANKA  
CHAIRMAN & MANAGING DIRECTOR**

**Dated: 28<sup>th</sup> April , 2017  
Place: Kolkata**