

Star Ferro and Cement Limited

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

Date: 1st August, 2016

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

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

Dear Sir(s),

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

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

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



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

Thanking you,

Yours faithfully,

For Star Ferro and Cement Limited



D. Thakurta
Company Secretary

Encl. as stated



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Annexure A

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

A	Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as size, turnover etc.,	1. Star Ferro and Cement Limited - The Company has a total revenue of Rs.23.75crore in FY-15-16 including dividend income from its subsidiary. The Company holds 29,54,75,000 Equity Shares of the Transferee Company constituting 70.48% of the total Issued, Subscribed and Paid up Share Capital of the Transferee Company. 2. Star Cement Limited (Formerly Cement Manufacturing Company Limited) - The Company is a mid-sized entity engaged in the business of manufacturing cement with its main cement plant being situated at Village: Lumshnong in the State of Meghalaya and Grinding unit at Sonapur in the State of Assam. The Company is having total consolidated revenue of Rs.1716.33 crores in FY -15- 16.
B	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	MCA vide its Circular No. 30/2014 dated July 17, 2014 has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, would not attract the requirements of section 188 of the Companies Act, 2013. Accordingly, the transaction does not fall under Related Party transactions.
C	Area of business of the entity (ies)	Star Ferro and Cement Limited being the holding company, does not have any other significant business interest other than its investment in equity shares of Star Cement Limited, the Transferee Company. Star Cement Limited is engaged in the business of manufacturing cement with its main cement plant being situated at Village: Lumshnong in the State of Meghalaya and Grinding Unit at Sonapur in the State of Assam.
D	Rationale for amalgamation / merger	The Transferor Company does not have any other significant business interest other than its investment in the equity shares of the Transferee Company. The value of the interest in the cement business is however not fully adequately reflected in the value of the Transferor Company since such business is not held directly but through the Transferee Company. As such the business of the Transferor Company and the Transferee Company can be combined conveniently and carried on in conjunction more advantageously and therefore no useful purpose is being served in continuing with two separate legal entities. Amalgamation of the two companies is proposed accordingly. While the Transferee Company holds operating facilities and assets which cannot be transferred easily, the Transferor Company does not have any such licenses or assets. In view, inter alia, of the aforesaid, operationally it is considered more convenient to amalgamate the Transferor Company with the Transferee Company than vice versa.
E	In case of cash consideration - amount or otherwise share exchange ratio;	The Transferee Company will issue and allot to the members of the Transferor Company equity shares of Re. 1/- each in the Transferee Company, credited as fully paid up, in the ratio of 1.33 equity shares of Face Value of Re. 1/- each in the transferee Company for every 1 (one) equity share of the Face value of Re. 1/- each held by the said members in the Transferor Company.



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



Limited Review Report

To the board of directors of Star Ferro and Cement Limited

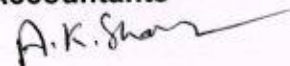
Report on the statement of standalone financial results

We have reviewed the accompanying statement of standalone financial results of **Star Ferro and Cement Limited** ('the Company'), for the quarter ended 30th June 2016 ('the statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('SEBI Regulation 2015'). This statement, which is the responsibility of the Company's Management and approved by the board of directors, has been prepared on the basis of related standalone financial statement which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013 ('the Act'), as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the Companies (Indian Accounting Standards Rules), 2015 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Kolkata
Date : 1st August, 2016



Limited Review Report

To the board of directors of Star Ferro and Cement Limited

Report on the statement of consolidated financial results

We have reviewed the accompanying statement of unaudited consolidated financial results of **Star Ferro and Cement Limited** ('the Company'), and its subsidiaries (the Company, and its subsidiaries together referred to as 'the Group'), for the quarter ended 30 June 2016 ('the statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('SEBI Regulation 2015'). This Statement, which is the responsibility of the Company's Management and approved by the board of directors, has been prepared on the basis of related consolidated financial statement, which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act'), as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

In our opinion and to the best of our information and according to the explanations given to us, these consolidated quarterly financial results include results of the following entities:

- Cement Manufacturing Company Limited	Ownership – 70.48%
- Megha Technical & Engineers Pvt. Ltd	Ownership – 70.48%
- Star Cement Meghalaya Ltd	Ownership – 70.48%
- Meghalaya Power Ltd.	Ownership – 35.94%

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the Companies (Indian Accounting Standards Rules), 2015 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the financial statements of a subsidiary (NE Hills Hydro Limited) included in the consolidated financial results, whose financial statement reflect total assets of Rs. 7.33 Lakhs as at 30th June 2016. These financial statements have been audited by the other auditors, whose reports have been furnished to us by the management and our opinion on the Statement, in so far



KAILASH B. GOEL & CO.
CHARTERED ACCOUNTANTS



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as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

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: 1st August, 2016



(₹ in Lacs)

Statement of Unaudited Financial Results for the Quarter ended 30th June, 2016

Sl. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter ended 30.06.2016 Unaudited	Quarter ended 31.03.2016 Audited	Quarter ended 30.06.2015 Unaudited	Year ended 31.03.2016 Audited	Quarter ended 30.06.2016 Unaudited	Quarter ended 31.03.2016 Audited	Quarter ended 30.06.2015 Unaudited	Year ended 31.03.2016 Audited
1	(a) Net Sales/Income from Operations (Net of Excise Duty)	-	-	-	-	44,802.74	56,164.50	40,843.53	1,70,947.03
	(b) Other Operating Income	-	-	-	-	102.68	154.36	25.06	555.91
	Total Income from Operations (Net)	-	-	-	-	44,905.42	56,318.86	40,868.59	1,71,502.94
2	Expenses								
	a. Cost of Materials consumed	-	-	-	-	7,196.37	7,687.77	4,678.43	20,620.81
	b. Purchase of traded goods	-	-	-	-	5,869.85	5,860.79	3,292.88	15,948.63
	c. Changes in Inventories of finished goods, work-in-progress and stock in-trade	-	-	-	-	(3,268.32)	1,304.84	(2,484.69)	(2,018.39)
	d. Employee benefit expense	15.39	8.69	13.03	64.46	2,929.55	2,706.20	2,313.23	10,844.61
	e. Depreciation and amortisation expense	-	-	-	-	3,424.03	4,395.17	4,173.12	17,149.21
	f. Other expenses	14.65	7.09	31.50	84.98	23,024.31	26,088.46	20,936.89	86,318.10
	Total expenses	30.04	15.78	44.53	149.45	39,175.79	48,043.23	32,909.86	1,48,862.94
3	Profit from Operations, before other income, finance costs and exceptional items (1-2)	(30.04)	(15.78)	(44.53)	(149.45)	5,729.63	8,275.63	7,958.73	22,640.00
4	Other Income	0.53	1.26	2,369.69	2,375.38	40.53	24.64	168.51	142.04
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	(29.51)	(14.52)	2,325.16	2,225.93	5,770.16	8,300.27	8,127.24	22,782.03
6	Finance costs	0.01	0.00	0.01	0.01	2,096.20	2,161.25	2,022.21	8,336.77
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	(29.52)	(14.52)	2,325.15	2,225.92	3,673.96	6,139.01	6,105.03	14,445.26
8	Exceptional items	-	-	-	-	0.87	(21.83)	(0.21)	(53.14)
9	Profit/(Loss) from ordinary activities before tax (7-8)	(29.52)	(14.52)	2,325.15	2,225.92	3,674.83	6,117.19	6,104.82	14,392.13
10	Tax expense	-	(44.56)	-	(44.56)	54.25	258.63	53.42	551.06



(₹ in Lacs)

Statement of Unaudited Financial Results for the Quarter ended 30th June, 2016

Statement of Unaudited Financial Results for the Quarter ended 30.06.2016									
Sl. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter ended 30.06.2016 Unaudited	Quarter ended 31.03.2016 Audited	Quarter ended 30.06.2015 Unaudited	Year ended 31.03.2016 Audited	Quarter ended 30.06.2016 Unaudited	Quarter ended 31.03.2016 Audited	Quarter ended 30.06.2015 Unaudited	Year ended 31.03.2016 Audited
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(29.52)	30.04	2,325.15	2,270.48	3,620.58	5,858.56	6,051.40	13,841.06
12	Extraordinary items	-	-	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(29.52)	30.04	2,325.15	2,270.48	3,620.58	5,858.56	6,051.40	13,841.06
14	Share of profit/(loss) of associates	-	-	-	-	-	-	-	-
15	Minority interest	-	-	-	-	1,260.48	1,883.25	1,898.59	4,643.59
16	Net Profit/(Loss) after taxes, minority interest and shares of profit/(loss) of associates (13+14-15)	(29.52)	30.04	2,325.15	2,270.48	2,360.09	3,975.31	4,152.81	9,197.48
17	Paid up Equity Share Capital (Face Value of ₹ 1/- each)	2,221.73	2,221.73	2,221.73	2,221.73	2,221.73	2,221.73	2,221.73	2,221.73
18	Reserves excluding Revaluation Reserves	805.37	834.89	889.56	834.89	75,115.80	72,755.72	67,711.06	72,755.72
19	Earnings Per Share (EPS) - (not annualised) ₹								
	- Basic	(0.01)	0.01	1.05	1.02	1.06	1.79	1.87	4.13
	- Diluted	(0.01)	0.01	1.05	1.02	1.06	1.79	1.87	4.13
	Face Value of Shares ₹ 1/-								



STAR FERRO AND CEMENT LIMITED
Statement of Segment Revenue, Results and Capital Employed for the Quarter ended 30th June, 2016

(₹ in Lacs)

Sl. No.	Particulars	CONSOLIDATED			
		Quarter ended 30.06.2016 Unaudited	Quarter ended 31.03.2016 Audited	Quarter ended 30.06.2015 Unaudited	Year ended 31.03.2016 Audited
1	Segment Revenue (Net)				
	(a) Power :				
	External Sales Revenue	-	-	10.32	17.26
	Inter Segment Revenue	2,564.25	2,156.55	2,800.98	10,460.75
	(b) Cement	44,802.74	56,164.50	40,833.21	1,70,929.77
	Total Segment Revenue	47,366.99	58,321.05	43,644.51	1,81,407.78
	Less : Inter Segment Revenue	2,564.25	2,156.55	2,800.98	10,460.75
	Net Sales/Income from Operations	44,802.74	56,164.50	40,843.53	1,70,947.03
2	Segment Results (Profit/(Loss) Before Tax & Finance Cost)				
	(a) Power	605.61	681.38	334.78	2,404.21
	(b) Cement	5,014.62	7,486.17	7,533.13	19,988.34
	Total	5,620.23	8,167.55	7,867.90	22,392.55
	Less : Finance Costs	2,096.20	2,161.25	2,022.21	8,336.77
	Add : Unallocable (Expenses)/Income net of unallocable Income/ expenses	150.80	110.89	259.13	336.35
	Total Profit/(Loss) Before Tax	3,674.83	6,117.19	6,104.82	14,392.13
3	Capital Employed (Segment Assets less Segment Liabilities)				
	(a) Power	13,767.26	12,902.17	11,354.49	12,902.17
	(b) Cement	98,631.10	96,661.71	86,059.07	96,661.71
	(c) Unallocated	2,161.99	1,375.89	5,736.56	1,375.89
	Total	1,14,560.35	1,10,939.77	1,03,150.12	1,10,939.77

NOTES TO STANDALONE FINANCIAL RESULTS:

- The above results have been reviewed by Audit Committee and approved by the Board of Directors at their respective meetings held on 1st August, 2016. Limited review of the above results have been carried out by the Statutory Auditor of the Company.
- The figures for the quarter ended 31st March, 2016 are the balancing figures being difference between the audited figures in respect of Financial year ended 31st March, 2016 and nine months ended unaudited figures upto 31st December, 2015 which were subject to Limited review.
- The Company does not have any reportable segment in accordance with the principle outlined in Accounting Standard (AS 17), "Segment Reporting". Therefore, there is no reportable segment and accordingly quarterly reporting of segment wise results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not published.
- Figures of the previous period have been regrouped and reclassified to confirm to the classification of current period, wherever necessary.

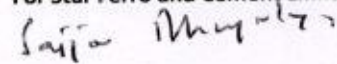


NOTES TO CONSOLIDATED FINANCIAL RESULTS:

- 1 The above result have been reviewed by Audit Committee and approved by the Board of Directors at their respective meetings held on 1st August, 2016. Limited review of the above results have been carried out by the Statutory Auditors of the Company.
- 2 The figures for the quarter ended 31st March, 2016 are the balancing figures being difference between the audited figures in respect of Financial year ended 31st March, 2016 and nine months ended unaudited figures upto 31st December, 2015 which were subject to Limited review.
- 3 The consolidated results include results of its subsidiaries Star Cement Limited (formerly Cement Manufacturing Company Limited) (SCL), Star Cement Meghalaya Limited (SCML), Megha Technical & Engineers Private Limited (MTEPL), Meghalaya Power Limited (MPL) and NE Hills Hydro Ltd. (NEHL).
- 4 Figures of the previous period have been regrouped and reclassified to confirm to the classification of current period, wherever necessary.

Date: 1st August, 2016
Place: Kolkata

By order of the Board
For Star Ferro and Cement Limited



Sajjan Bhajanka
Chairman

