SHYAM CENTURY FERROUS LIMITED

(Incorporated in the name of Shyam Century Ferrous Limited as Public Limited Company on April 12, 2011, under the Companies Act, 1956, having Registered Office at 6, Lyons Range, 1st Floor, Kolkata - 700001, West Bengal, with the Registrar of Companies, West Bengal. The registration no. assigned to our Company was U27310WB2011PLC161689. The Registered Office of the Company has been shifted to Village Lumshnong, PO: Khaliehriat, Dist. :East Jaintia Hills, Lumshnong, 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 new registration no. assigned to our Company is U27310ML2011PLC008578.

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@shyamcenturyferrous.com **Website:** www.shyamcenturyferrous.com
Contact Person: Mrs. Rachna Pareek, Company Secretary

INFORMATION MEMORANDUM FOR LISTING OF 22,21,72,990 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 Shyam Century Ferrous 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 Shyam Century Ferrous Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ISSUER'S ABSOLUTE RESPONSIBILITY
Shyam Century Ferrous Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Shyam Century Ferrous Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is 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 Shyam Century Ferrous 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 6, Mangoe Lane, 2nd Floor Kolkata – 700 001 Phone No: (033) 2243-5809/5029 Fax: (033) 2248-4787 E-mail : mdpldc@yahoo.com Website: www.mdpl.in

TABLE OF CONTENTS

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:

Term	Description
SCFL or "Company" or " Our Company" or "we" or "us" or "Our"	Shyam Century Ferrous 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

Term	Description
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, 2014
Auditors	The Statutory Auditors of SCFL
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
Promoter	Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Sanjay Agarwal and Mr. Hari Prasad Agarwal
Record date	April 24, 2015
Registrar and Transfer Agents	Maheshwari Datamatics Private Limited
Scheme of Arrangement or "The Scheme"	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between SFCL and SCFL and their respective shareholders for demerger of Ferro Alloys Division of SFCL to SCFL.
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
SICA	Sick Industrial Companies (Special Provisions) Act, 1995.

Term	Description
Stock Exchanges	Shall refer to the NSE and BSE where equity shares of the SCFL are proposed to be listed.

Industry Related Terms

Term	Description
Twh	Terra Watt Hours
GW	Gigawatt
MVA	Mega Volt Amp
MT	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, 2014 and ended on March 31, 2015. 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. **Our Company has no operating history, so it is difficult to estimate our future performance**

   Pursuant to the Scheme, the activities and operations of Ferro Alloys Division of SFCL have been transferred to our Company. Although the employees are being transferred along with the businesses, our Company has no prior experience in operating ferro alloys business. Our Company currently has no significant operating history from which our business, future prospects and viability can be evaluated. Any inability of our Company to effectively undertake ferro alloys business could adversely affect our business prospects, financial condition and results of operation. Moreover, our Company's prospects and viability should not be evaluated based on the performance of SFCL. As a result, we cannot assure that our future performance or business strategy will be successful.

2. **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.

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

   Ferro alloys, Ferro silicon, Ferro manganese, Silico manganese and Ferro chrome are essential ingredients for production of various types of carbon and alloys steel as well as alloy iron, and therefore our business is dependent upon continued demand for our products in the steel and stainless steel industry. The Steel business is cyclical in nature. Accordingly, our operating margins and results of operations are influenced by a variety of factors relating to the steel industry, including but not limited to fluctuations in demand and supply of steel and steel products, both domestically and internationally, general economic conditions, changes in the international prices of steel and steel products and slowdowns in steel industry.

   Historically, market prices for steel and steel products have been cyclical and sensitive to changes in supply and demand. Demand for steel and steel products is linked to economic activity, including growth in the economy, level of operating activities in core sectors as mentioned above. The supply of steel and steel products is dependent upon capacity additions, domestically and internationally, which involve long gestation periods. Significant capacity additions in the steel industry, if not matched by a corresponding growth in demand, may result in downward pressure on steel prices. Since the slowdown in global economic conditions in 2008, prices of steel have fallen significantly and also have been very volatile. Due to uncertainty in the supply and demand balances, market conditions and other factors relating to the steel industry, our business, prospects, financial condition and results of operation may be adversely affected.

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

   The main raw materials for our product are lam coke, mill scale, quartz and charcoal. These raw materials are procured from local market at Meghalaya, Assam, West Bengal, Bihar and Tamilnadu. Unpredictability in the supply of any of the main raw materials may hamper production process flow. Uncertainty of availability of raw materials and other resources such as water, skilled manpower etc. may also affect the operations and in turn the financial condition and profitability of the Company.

5. **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**

   Though we are having our own captive power plant of 13.8 MW, we also procure power from Indian Energy Exchange and Meghalaya Power Limited. Presently, State of Meghalaya is facing 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. Thus, any interruption on supply of power to our manufacturing plant may adversely affect our business, financial condition, results of operations and prospects.

6. **The Company is dependent upon the continued supply of quartz, mill scale, coal, power and other raw materials and the costs of which can be subject to significant variation**

   The major raw materials for quartz, mill scale, coal and power is essential for our operations. The Company has no long-term supply arrangement with the suppliers of the inputs. The Company relies on a number of domestic suppliers to provide these raw materials and additives for the plant. The Company is also dependent on various domestic suppliers for the supply of coal. If the Company is unable to obtain adequate supplies of quality raw materials or power in a timely manner and 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.

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

   As on March 31, 2015, our Company has outstanding term loans and working capital facilities to the tune of Rs.703.98 lakhs and Rs.2,420.47 lakhs respectively 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.

8. **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.

9. **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.

10. 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 alloys 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 alloys. 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 alloys. 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.

11. 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 steel and steel products, 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.

12. 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.

13. 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 quartz, mill scale, coal and other raw materials 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 quartz, mill scale, coal, other raw materials 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.

14. 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.

15. **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. There are no visual or print media to attract clients and customers to increase sales. Since such 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.

    Our Indirect Sales and Marketing are through third parties who are called traders. Since this operation are dependent on third party service, it cannot be assured that we will be able to generate the same quantum of business or any business at all from these traders and it may adversely affect the revenue and profitability.

16. **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.

17. **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.

18. 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.

19. 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.

20. 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.

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 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

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant.

Although the Central government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well.

3. **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.

4. **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.

5. **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.

6. **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.

7. **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.

8. **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 April 12, 2011, under the Companies Act, 1956 as a public limited company under the name and style of Shyam Century Ferrous Limited. The registration no. assigned to our Company was U27310WB2011PLC161689. The certificate of commencement of business was issued to the Company on April 26, 2011.

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, Lumshnong, 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 new registration no. assigned to our Company is U27310ML2011PLC008578 vide Certification of Registration of Regional Director order for Change of State dated November 20, 2014.

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@shyamcenturyferrous.com
Website: www.shyamcenturyferrous.com

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@shyamcenturyferrous.com

Corporate Identification Number: U27310ML2011PLC008578

Address of the Registrar of Companies:
Morello Building
Ground Floor
Shillong - 793001
Phone: +91 0364 2222519

Board of Directors:

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

Name	Designation
Mr. Sajjan Bhajanka	Non-Executive Non-Independent Director
Mr. Nag Raj Tater	Non-Executive Non-Independent Director
Mrs. Plistina Dkhar	Independent Director
Mr. Mangilal Jain	Independent Director
Mr. Santanu Ray	Independent Director
Mr. Aditya Vimalkumar Agarwal	Non-Executive Non-Independent Director

Authority of Listing

The Hon'ble High Court of Meghalaya at Shillong, vide its order dated March 31, 2015, has approved the Scheme of Arrangement inter-alia providing for the demerger of Ferro Alloys Division including all assets and liabilities pertaining to the said division and the captive power plant at Byrnihat, Meghalaya, and investment in 83,58,998 Equity Shares of Rs.10/- each (48.80%) of Meghalaya Power Limited, of Star Ferro and Cement Limited to Shyam Century Ferrous Limited. For more details relating to the scheme of arrangement please refer to the Section titled **"Scheme of Arrangement"** on page 43. In accordance with the Scheme for demerger, business and interests of SFCL in manufacturing of ferro alloys including all lands admeasuring 26,714 square metres in Raja Bagan, EPIP, Industrial Area, Plot No.A-8, Byrnihat, District Ri-Bhoi in the State of Meghalaya, captive power plant at Byrnihat in the State of Meghalaya and investment in 83,58,998 Equity Shares of Rs.10/- each (constituting 48.80% of the total paid-up capital) of Meghalaya Power Limited, and shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of SFCL pertaining to the Ferro Alloys Division stands transferred to and vested with SCFL, w.e.f. April 1, 2014 (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. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, 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 the said Information Memorandum available to public through their websites viz. www.nseindia.com and www.bseindia.com. The Company has made this Information Memorandum available on its website viz www.shyamcenturyferrous.com. The Company will publish an advertisement in the news papers containing all details in line with the requirements as per the above mentioned circulars. 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. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 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.

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CHIEF EXECUTIVE OFFICER

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Ms. Hasti Doshi

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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.

Ferro Alloy Industry Overview

Overview

Steel is the most versatile material, which has made the progress in every aspect on this earth possible. There are hundreds of varieties of steel because for each application it has to be made with specific properties to get the most optimum usage. Though the basic constituent of steel is iron, it is the proportion of other elements in it, which gives each type of steel certain specific properties. These elements are added in liquid iron in the form of Ferro alloys to get the desired composition and properties. Thus, Ferro alloys are important additives in the production of steel and Ferro Alloys industry is vitally linked for its growth and development to that of the Steel Industry.

The Indian Ferro Alloy Industry, which completed six decades of its existence and a part of the core sector under Ministry of Steel, is engaged in supplying crucial intermediates to the steel sector. Ferro-alloys are used in the manufacture of all grades of steel including stainless steel, alloy steel, castings and other engineering products. Ferro alloys are alloys of iron with a high proportion of elements such as manganese, silicon, chromium, and molybdenum. Each alloy is generally named after the added metal – for example, Ferro Chrome, Ferro Manganese, Ferro Silicon etc. Ferro alloys can be further classified as bulk and noble ferro alloys.

Ferro Alloys are alloys of Chromium, Manganese, Silicon etc. Ferro Alloys are used in steel making as an additive for imparting strength and quality required in a particular grade of Steel. Ferro Manganese, Silicon Manganese & Ferro Silicon are used in Steel making in different proportion depending upon the grade of the Steel. Ferro Chrome is used for manufacture of various grades of Stainless Steel and other chromium bearing Alloy Steel. Growth of Ferro Alloys Industry is directly linked to growth of Steel Industry. Consumption of Ferro Chrome is linked with growth of Stainless Steel and other Alloy Steel.

Ferro Alloys are vital additives that are added in steel production for de-oxidation, grain size control, imparting specific properties to the finished steel and improvement in mechanical properties. Depending upon the process of steelmaking, product quality envisaged and the type of steel being made, the requirement of ferro alloys varies widely. Ferro Alloys consist of less than one percent of the total raw materials required for steelmaking but despite being a very low constituent, they play a vital role in steel making.

About 90% of the High Carbon Ferro Chrome produced is used in the making of Stainless Steel, where chromium is an important ingredient. Because it is Chromium that makes stainless steel 'stainless'.

The additions of Ferro Chrome in low alloy steels contribute towards a range of improved properties, especially to achieve a balance of through-section hardness and toughness in Engineering Steels such as bearing, tool, high strength/low alloy and high speed steels, pumps, valves, pipes, rolls and wear plates.

Ferro-alloys are used in the manufacture of all grades of steel including stainless steel, alloy steel, castings and other engineering products. Ferro alloys are alloys of iron with a high proportion of elements such as manganese, silicon, chromium, and molybdenum. Each alloy is generally named after the added metal – for example, Ferro Chrome, Ferro Manganese, Ferro Silicon etc. Ferro alloys can be further classified as bulk and noble ferro alloys.

Global Outlook

The global ferro alloy market was valued at USD 37.25 billion in 2013 and is anticipated to reach USD 53.56 billion in 2020, expanding at a CAGR of 5.4% between 2014 and 2020. The global steel production reached 821.3 million tonnes from January to June 2014 (+2.5% year-on-year). The average daily output for the first half of the year remained 4.5 million tonnes, similar as for the first quarter (4.4 million tonnes for the whole 2013).

China emerged as the leading consumer of ferro alloy in 2013. Presence of large number of steel manufacturers with high production capacities is expected to boost demand for ferro alloy in China. In terms of volume, China is anticipated to grow at a CAGR of 4.6% between 2014 and 2020. China was followed by Europe, which is estimated to be the next major consumer of ferro alloy due to increasing demand for steel from the automobile industry. Rest of Asia Pacific is projected to be one of the emerging markets for ferro alloys owing to rising demand for steel from the construction industry, especially in India and Japan. North America and Rest of the World are likely to experience sluggish growth during the forecast period. The global ferroalloy market is highly fragmented in nature. Major players in the ferroalloy market include Eurasian Natural Resources Corporation PLC (ENRC), Sinosteel Jilin Ferroalloy Corporation Limited, S.C. Feral S.R.L. and Shanghai Shenjia Ferroalloys Co. Ltd. Entry of new players, especially in Rest of Asia Pacific, is likely to boost the overall market growth.

China, the industry's permanent leader, increased output to 411.9 million tonnes, or by 3%, from January to June 2014, in which the growth rate accelerated to 4.5% y-o-y (2.5% and 3.1% for the global output, respectively), thus returning the trend of leadership in pace after a period when other markets were rebounding.

The Europe (EU) production growth slowed following the recovery pace in the year 2014. Meanwhile, Turkey returned to growth year-on-year by the summer (+6.7% in June 2014). Some acceleration was recently seen in North America and South Korea; on the other hand, reasonably high growth rates in Saudi Arabia and Iran slowed somewhat in June 2014; Qatar is on a speedy growth path, while the UAE registered a decline in steel production. The dynamics in Japan also turned negative in June 2014 year-on-year. In Africa, the industry's growth virtually halted, while recovery of steel production growth in Libya and Egypt balanced the declines in Algeria and Morocco, recently accompanied by South Africa.

Russia's 2014 steel production trend is guided by the two factors: fixed investment slowdown and healthier global economy. Steel output grew 0.7% y-o-y in H1 2014, reaching 3.9% in June. Meanwhile, the political and economic crisis keeps harming Ukraine's steel industry.

The high pace of capacity growth is continuing to impact negatively the global steel markets. However, the earlier observed imbalance between the declining markets of rolled steel and surging markets of raw materials is expected to be reversed in the near term. Gradually improving global rolled steel markets must lead to moderate price growth for finished products. And vice versa, capacity growth in the iron ore industry together with the steel production moderate growth will make downward pressure on the ore prices.

Indian Outlook

India's ferro alloys industry provides intermediates for its steel sector, strengthening its resistance to corrosion and oxidation, improving tensile strength and high temperature properties, among others.

The first phase of expansion of the Indian Ferro Alloys industry took place between late sixties and seventies and 14 furnaces established with additional capacity of 178 MVA. The second phase of expansion took place during the eighties and this resulted in addition of 12 furnaces with additional capacity of 308 MVA. This industry was liberalized during 1991-92 as a result a number of small and medium units having transformer rating of 2.5 MVA to 10-12 MVA emerged in Bulk ferro alloys production. After liberalization, the ferro alloy industry has made a considerable growth and estimated production capacity is more than double the domestic demand, thereby leads to export.

However, about 30% of the capacity is idle due to a combination of poor planning, poor economics and local problems (labour, electricity, management issues etc).

India, with a 5-7% share of the global ferro alloys industry, is among the ten largest producers of the material in the world. In India, majority of the ferro alloys furnaces are largely located in Orissa, Andhra Pradesh, West Bengal, Chhattisgarh and Goa due to proximity to mines. Most ferro alloy companies manufacture manganese or chrome alloys.

India has abundant natural resources like Manganese, Chrome and Quartz ores which ensures continuous supply of high quality raw material at reasonable prices to the Indian Ferro alloy industry with tremendous growth opportunities to help India in emerging as the leading exporter of Ferro alloys for the world. Ferro Alloys, as the name indicates are the alloys of Chromium, Manganese, Silicon etc. Ferro Chrome is used for manufacture of various grades of Stainless Steel and other chromium bearing Alloy Steel.

In 2013-14, the performance of the ferro alloys sector remained dull, as steel, the key user sector for ferro alloys, experienced lack lustre demand. While steel production grew marginally by 0.6% to 81 Million Tonnes (MT) in 2013-14, end-user steel demand declined on account of project implementation log jam emanating from a number of infrastructural projects gating delayed due to environmental and other clearances. In view of high investment projections by the Government for infrastructural sector, demand of steel in future may accelerate.

The Twelfth Five Year Plan projects infrastructural investment worth US$ 1 trillion, which could accelerate steel of take. This increase in infrastructural spending could translate into an additional steel demand of approximately 40 MT per annum between 2012–13 and 2016-17.

Estimated Ferro alloys demand during the Twelfth Plan period

(In millions tonnes)

Particulars	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Manganese Ore	4.54	4.98	5.57	6.18	6.82
Chromite Ore	2.90	3.19	3.52	3.93	4.31
Silico Manganese	1.42	1.56	1.74	1.94	2.16
Ferro Manganese	0.51	0.57	0.64	0.70	0.86
Ferro Silicon	0.26	0.28	0.31	0.34	0.38
Ferro Chrome	1.16	1.28	1.41	1.57	1.73
Refractories	1.29	1.42	1.56	1.74	1.89

Source: Report of Working Group on Steel Industry 2012-17

The advantages enjoyed by the Indian Ferro Alloys industry are as under:

Ability to immediately scale up:
- Large Capacity for Ferroalloys
- Industry currently operating at 60% rated capacity

Location near high growth regions:
- Freight advantage in markets such as China, Korea and Japan compared to Ukraine, Kazakhstan and South Africa
- Short sailing time, freight advantage

Reductants:
- Coke – Increasing use of indigenous coke/coal for ferro alloy making has helped the industry to mitigate the high cost of imported LAM coke. The slowing GDP growth in China has prompted the Chinese government to withdraw export tax on coke.

Rising domestic consumption of ferroalloys:
- The projected growth for carbon steel at around 8 per cent and stainless steel production growth at around 10% augurs well for the ferro alloy industry in India.

Reserve:
- India enjoys a natural advantage as it has the fifth-largest in chrome ore with a 100 million tonnes estimated reserve and the sixth-largest in manganese ore with an estimated 176 million tonnes reserve.

Challenges for Ferro Alloys Industry

Increasing restrictions in the availability of the key raw materials – i.e. Manganese and Chrome Ores

India has been self sufficient in both Manganese and Chrome Ore and till recently was even a very significant exporter. However, because of a deficiency in lumpy chrome ore and restrictions in the free availability of friable chrome ore; imports of chrome ore into India are rising rapidly. High Grade Manganese ore being in short supply, imports of Manganese ore into India have risen dramatically.

Power Shortage

Electrical energy is one of the major inputs in production of Ferro Alloys. Though the generation cost of power is not high in India, the Power Tariff borne by the Industry is high, because of cross-subsidization to Agricultural Sector, Low Plant Load Factor of old thermal plants, Electricity Duty, which varies widely from State to State, creates additional burden for the Industry. Though power Reforms are on, the impact of this development on long-term prices, specifically power intensive consumers, such as Ferro Alloy producers, is difficult to assess, since the electricity market still seems to be in a state of flux. Captive Power generation may hold the key, though capitally intensive.

Infrastructure

The Industry has been experiencing shortage of wagons for transporting raw materials therefore road transport becomes necessary. Freight element is very high, thus reducing competitiveness of the Industry. Poor infrastructure facilities at Port also lead to berthing delays for ships and take longer loading time.

Lack of Capital

Lack of capital and high rates of interest on loans have in many ways stymied the growth of ferroalloy units. With many units having fallen sick due to poor project planning, execution and economics, Indian banks have become wary of exposure to this sector. Like in other sectors, there is increasing foreign investor interest in the ferroalloy sector. This has come in terms of both investments through the stock exchanges in listed entities (FIIs) and in form of direct investments through JVs (FDI). This increased availability of finance for well planned projects could result in further rapid expansion of the ferroalloy industry. However, talks of lowering India's Credit Rating due to the slow pace of reforms and the feeling of Government inaction could badly affect availability of foreign funds.

Lack of Technology

India has been past masters of local innovations, however systematic industrial research is severely lacking in India, which help other countries like the US, Japan, the former Soviet Union, South Korea and some countries in the EU to leapfrog in industry led GDP growth. As a result India risks being continually over shadowed by China and significant development of new technologies in ferroalloy making bypassing the Indian ferroalloy industry.

Markets

The rapid growth in exports of ferroalloys led to rapid growth in ferroalloy production in India. The exports form a substantial proportion constitutes 50% of the market for ferroalloys. Ferroalloys from India were exported to China, Europe (EU), Japan and South Korea. The shift in steel production from the developed nations to China has led to China becoming the largest consumer and in some cases producer of ferroalloys. Thus, China has been the dominant destination for ferroalloys from India. With slowing Chinese steel growth and a healthy growth in demand for ferroalloys domestically, it is likely that exports, currently almost 50% of total production, will fall to a level of 30-35%.

Rising Ferro Alloy Imports into India

Although India is a large exporter of Ferroalloys due to the uncertain economic condition in the developed world, many ferro alloy companies (mainly from the CIS, Russia and Kazakhstan) which restricted themselves to supplying to customers in the developed world like United States, Europe and Japan. This has led to a steep rise in imports of ferroalloys which does not augur well for the Indian Ferro Alloy industry.

Road Ahead

Ferro Alloy Industry mainly caters to the needs of the steel industry. Ferro alloys are used as additives and de-oxidizing agents in steel manufacture. The Indian Ferro Alloy Industry has a capacity of 5.15 million tonnes. It accounts for nearly 10% of the world's Ferro alloy production and is amongst the 10 largest producers of the material in the world. In the midst of raw material availability being a key factor for Ferro alloy industry growth, production is concentrated in a few pockets. India, South Africa, China and CIS countries represent a large source of Ferro alloys. India's bulk ferro alloy supply constitutes of Ferro Chrome (about 32%), Ferro Manganese and Silicon Manganese (about 62%) and rest others. At present, though there is surplus capacity in the country, severe power cuts is hampering production.

Ferro Alloy producers across the globe in last couple of years were one of the worst hit in history with drastic collapse in demand and vertical fall in prices of finished products. After a couple of difficult years, well-coordinated efforts at the global level and various stimulus packages (policy, fiscal and monetary) have helped to put the world economy back on track. Strong growth in steel and stainless steel is expected in the near future with strong demands in infrastructure industry.

On the back of these expectations, it is expected that the excess capacity will stand absorbed and further growth is anticipated in Ferro alloys Industry in the years to come to match the growth of Steel Industry. In view of potential growth of housing and infrastructure, the overall demand for Ferro alloy is expected to remain buoyant.

Indian Industry is excited with a dynamic, pro-business government at the helm. This is also the first instance of a single political party winning a decisive majority in the past 32 years. This dominant majority augurs well for the country by ushering in reforms acceleration and national prosperity. The Central Government has indicated that a thrust is to be laid on infrastructure creation with a special emphasis on the North-East. This would result in robust economic growth over the medium-term and translate into enhanced business opportunities for the overall Industry.

- Indian Economy is expected to grow at an accelerated growth rate of 8-10%.
- Welcome sign for Ferro Alloy Industry as domestic consumption of Ferro Alloys will increase.
- Raw Material and Logistics will play a crucial role.
- Captive power plants give the option of cheap, un-interrupted power as well as alternate revenue streams.
- India has the potential to be a major player in the Global Ferro Alloy Industry replacing China in the coming years
- Industry's dominance in Asian market to rise in future.
- Industry's capacity is more than sufficient to meet the domestic requirement of Steel Industry.
- If export growth rate is not maintained domestic market will be plagued with overcapacity.

Sources:

1. Indian Ferro Alloys Producers Association (IFAPA)
2. Minerals and Metals Review, June 2014
3. Annual Report of Star Ferro and Cement 2013-14
4. "World Steel Association (WSA) preliminary report"
5. www.metalexpert-group.com
6. "Transparency Market Research"
7. Indian ferro alloys industry at cross roads
8. Slideshare.net

BUSINESS OVERVIEW

Up to March 31, 2014, the Ferro Alloys business was conducted by Star Ferro and Cement Limited. Consequent upon the demerger of Ferro Alloys Division of SFCL, the Ferro Alloys business is being conducted by the Company. The Ferro Alloys business mainly comprises of manufacturing of ferro alloys including all lands admeasuring 26,714 square metres in Raja Bagan, EPIP, Industrial Area, Plot No.A-8, Byrnihat, District Ri-Bhoi in the State of Meghalaya, captive power plant at Byrnihat in the State of Meghalaya and investment in 83,58,998 Equity Shares of Rs.10/- each (constituting 48.80% of the total paid-up capital) of Meghalaya Power Limited.

Our Company was incorporated on April 12, 2011 as an Unlisted Public Company under the name of Shyam Century Ferrous Limited within the jurisdiction of the Registrar of Companies, West Bengal, having Registered Office situated at 6, Lyons Range, 1st Floor, Kolkata - 700001, 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 new registration no. assigned to our Company is U27310ML2011PLC008578 vide Certification of Registration of Regional Director order for Change of State dated November 20, 2014.

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.

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 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 a turnover of Rs.11,591 lac in 2014-15.

Operation

We have manufactured 14,835 MT of Ferro Alloys in 2014-15 as against 16,164 MT in 2013-14.

Our Company is an ISO 9001:2008 certified organization and believes in ensuring strict quality norms. Our Product Range includes:

Ferro Silicon
Silico Manganese

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. We have spread our wings into vast overseas countries and have made sincere efforts to offer products of international standards.

Foreseeing the rapid rise in the consumption of Steel globally, our Company was formed to foray into production of Ferro Alloys, which is a major raw material input for the Steel industry. Our products range includes highest quality Ferro Alloys as specified by the Indian Standards Specification and also different composition required by manufacturers of alloy & stainless steel production.

With multiple furnaces of different capacities, the company has the flexibility to produce different types of Ferro Alloys as per market dynamics. This adds to the competitive advantage of the organization as different product mix can be maintained at the same time even with low quantity.

Raw materials & Power

The Company sources its lam coke, mill scale, quartz and charcoal requirement from different suppliers located at Meghalaya, Assam, West Bengal, Bihar and Tamilnadu. Our Company is one of the very few Ferro Alloys manufacturing companies in the country having captive power plant and this is a major competitive advantage since power scenario is very uncertain and the price is also exorbitant. Other raw materials are sourced from local market only. The products of the company enjoy reputation in India at par with international suppliers. Further, power is procured through the platform of Indian Energy Exchange and Meghalaya Power Limited.

Capacity utilization

We have manufacturing capacity of 18,315 MT of Ferro Alloys. The capacity utilization at the Ferro Alloys plant of the Company is 81%.

Area of operation

Our primary market is India where we sell 100% of our production.

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 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
- Increase metal recovery
- Optimization of reductant 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

Strengths

Experienced management: More than 40 years of experience reflected in overall consistent performance.

Productivity: We operated at 81% capacity level in the FY2014-15.

Scale: We currently manufacture 14,835 MT of Ferro Alloys.

Product basket: The Company is engaged in the production of Ferro Silicon and Silico Manganese.

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.

Product Usage

Ferro Alloys are essential ingredients for production of various types of carbon and alloys steel as well as alloy iron. The basic element of a Ferro Alloys when added to steel tends to improve the physical properties, e.g. change in elasticity, ultimate tensile strength, hardness, etc. Sometimes addition of some elements in the form of Ferro Alloys is done deliberately to liquid steel and other alloys for developing abrasion resistance, wear resistance and corrosion resistance properties.

Apart from using Ferro Alloys for alloying the steel, they are also widely used for deoxidizing, desulphurization & refining of steel. Smaller quantities of Ferro Alloys are used as reductant in order to produce other metals. Besides their use in plain carbon steel and alloy steel plants, a substantial quantity of Ferro Alloys is consumed by the foundries and electrode industries. In ceramic industries, Ferro Alloys are used in small quantities.

Ferro Silicon, Ferro Manganese, Silico Manganese and Ferro-chrome are used in steel making in large quantities for producing various types of steel & alloy steels and these are called bulk or tonnage Ferro Alloys. Other Ferro Alloys like Ferro-nickel, Ferro-molybdenum, Ferro-tungsten, Ferro-niobium, Ferro-titanium, Ferro-vanadium, Ferro-zirconium which are used in smaller quantities are called high valued or special Ferro Alloys and these are used as the constituents for making & refining special types of alloy steels. Most of the bulk Ferro Alloys are produced in electric furnace and only 8.64% are produced in blast furnace. The special Ferro Alloys are produced mostly by aluminothermic, silicothermic and some other similar batch process.

Physio-Chemical properties of Silicon

Silicon is a metalloid having an atomic mass of 28.086, density of 2.37, melting point of 1414^0C, and boiling point of 2287^0C. In its electric properties, Silicon is a semi-conductor.

Silicon reacts with Oxygen to form Silica (SiO_2) whose melting point is 1710^0C. Silica can exist in several modifications – Quartz / Quartzite, Tridymite, Cristobalite and Silica Glass.

The heat of formation of one mole of SiO_2 is as follows:

By reaction $Si_S+O_{2g} = Sio_2$ (α - Quartz); H = -208,300 calories.
By reaction $Si_s+O_{2g} = Sio_2$ (β - Cristobalite); H = -205,600 calories.
Silicon can also oxidize into Silicon Monoxide SiO by the reaction $Si_g + ½ O_{2g} = Sio$; H = -275,000 calories

Silicon Monoxide is volatile and can spontaneously decompose into Silicon and Silica at temperatures below 1500^0C. Solid Silicon Monoxide can be obtained in metastable state at room temperature by condensing its vapours.

Silicon and Carbon form Carborundum (SiC) having a melting point above 2700^0 C. The heat of formation of Carborundum from the elements is: H = -28,000 calories.

Silicon can fuse together with Iron in any proportion and forms a series of Iron Silicides. The system can contain various compounds, such as Fe_5 Si_3 (with 23.17 per cent Si) and FeSi (with 33.4 per cent Si), the latter being more stable in the liquid state.

That Fe Si is stable may be seen from the high thermal effect of its reaction:

$Fe_{iq} + Si_{liq} = FeSi_{liq}$: H_{1873} = -29,000 calories.

The melting points of standard grades of Ferro-Silicon do not exceed 1330^0C. For instance, an alloy of Iron with 43-50 per cent Si melts at $1220\text{-}1330^0$C and that with 70-78 per cent Si at $1300\text{-}1330^0$C.

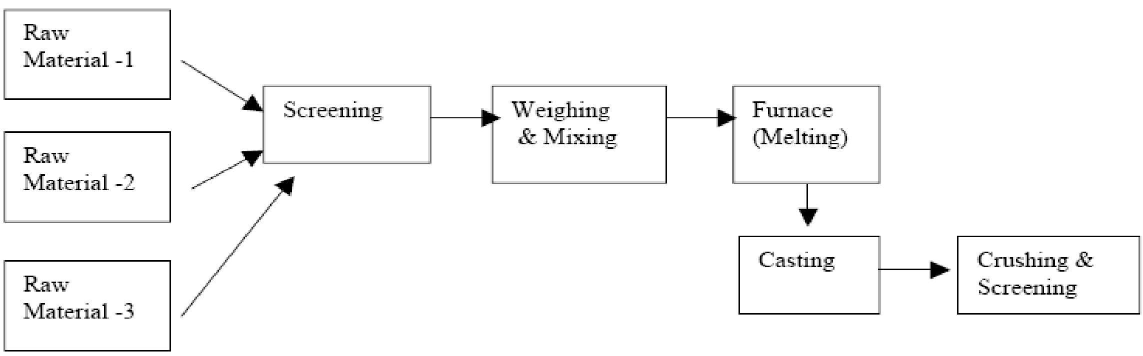
COMPOSITION OF FERRO-SILICON

	Composition, %							
Si	**C**	**S**	**P**	**Al**	**Mn (Upper limit)**	**Cr**	**Ti**	**Ca**
At least 89	-	0.02	0.03	3.0	0.2	0.2	-	-
74-80	0.1	0.02	0.03	1.3	0.3	0.2	0.2	1.0
74-80	-	0.03	0.05	2.5	0.4	0.4	-	-
63-68	-	0.03	0.05	2.0	0.4	0.4	-	-
41-47	-	0.03	0.05	2.0	0.6	0.5	-	-
22-29	0.6	0.03	0.07	1.0	0.9	-	-	-
17-22	1.3	0.04	0.10	1.0	1.0	-	-	-

Silicon increases the hardness, ultimate strength, elastic and yield limit and oxidation resistance of steel, but lowers the ductility. Siliceous steels are widely used for making springs and like parts. Siliceous transformer Iron (with around 4 per cent Si) is known to have relatively low per losses.

Manufacturing process

The process for the manufacture of ferro alloys viz. Ferro-silicon, Ferro manganese and Ferro Chrome by submersible Arc furnace technology is well established in India and all leading Ferro Alloys manufacturers are using the above technology. The process essentially comprises the following steps:



The components of the charge for making Ferro Silicon are minerals having a high content of Silica such as Quartz and Quartzite, Reducers like Charcoal, Nangal Coal, RPC, Lame, Wood Chips, Hard Coke and Mill Scale for Iron content.

The hearth top and outer walls of the furnaces are lined with carbon paste backed by various grades of Alumina bricks. Silicon Carbide Bricks are used at the Tap Holes in view of their excellent Spalling Resistance and Thermal Conductivity. Upon appropriate pre heating of the newly made furnace lining, the furnace is charged with a charge for making 70 - 75 per cent Ferro-Silicon, with the charge level and the electrical load being raised gradually. Normal operating conditions are established in 3 - 5 days from the beginning of charging.

The process of making Ferro-Silicon produces very little slag, which is tapped together with the metal through the same tap hole. Raw materials for this Product will be transported on daily basis from the yard to the storage and weighing terminals, with the help of pay loaders/tippers. Then the raw materials will be transported to the storage day bins by means of belt conveyors through Screens.

They will be drawn from different storage bins into common weigh hoppers in a predetermined proportion with the help of an Industrial Computer - PLC based electronic weighing system, which will be located in the furnaces' control room. The recipe will be set by the metallurgist from time to time based on the analysis of the raw materials. The weigh hoppers will be supported on hermetically sealed electronic load cells.

The mix thus drawn into the weigh hoppers is commonly called burden or charge and will be discharged onto a series of belts. The charge will be transported by the designated conveyors and will be distributed into various charging hoppers located around the furnace on the top floor of the furnace building. The charging hoppers are connected to the furnace by chutes with intermediate gates, which will be pneumatically actuated. Whenever the furnace operator actuates the gates to open, charge is unloaded into the furnace.

Tapping is done periodically about 10 - 12 times a day as per a specified schedule and based on the power consumption. The tap hole is opened with Oxygen Lancing and / or MS round via an arcing gun. The melt runs out through the hole and begins to pass on to the Ladles. The tapping time is around 10 minutes. A sample of any Alloy metal is taken for analysis during tapping. The liquid Alloy is cast in moulds in thin cakes through decanting of the ladle, which are broken to required sizes after solidification, weighed and packed.

The average chemical composition of Ferro-Silicon proposed to be manufactured in the plant is given below:

Si	70 - 75%
C	0.10% max.
S	0.05% max.
P	0.05% max
Al	1.50% max.
Mn	0.20% max.
Ti	0.2% max
Fe	Balance

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 carry on in India or elsewhere the business as manufacturers, processors, re-rollers, refiners, smelters, converters, producers, exporters, importers, traders, distributors, stockiest, buyers, sellers, agents or merchants in all kinds and forms of ferrous and non-ferrous metals, minerals, alloys, coke, limestone, dolomite, clinker and cement and/or any of their by-products, and any other items relating thereto and for this purpose to take on lease or otherwise acquire, erect, construct, establish, work operate and maintain factories, quarries, mines and workshop.

2. To carry on in India or elsewhere the business to generate, transmit, trade, supply and to act as agent, broker, consultant of electric power generated from various renewable or non-renewable sources and for this purpose, to establish, construct, erect, commission hydro, wind, atomic, solar and other power plants; to acquire concessions, facilities or licenses from electricity boards, government, semi governments or local authorities for generation, distribution, production, transmission or use of electric power and to take over along with all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities.

OUR PROMOTERS AND THE MANAGEMENT OF THE COMPANY

Promoters

Individual Promoter

Mr. Sajjan Bhajanka 	Mr. Sajjan Bhajanka, 63 years, is a commerce graduate having 37 years of experience in plywood, ferro-silicon and cement industries. He is presently Chairman and Managing Director of Century Plyboards (India) Ltd and Cement Manufacturing Co. Limited. Mr. Sajjan Bhajanka is responsible for financial management of the group. Mr. Bhajanka is also Chairman of Star Ferro and Cement Ltd. and 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 the President of Federation of Indian Plywood & Panel Industry and All India Veneer Manufacturers Association, Chairman of the Research Advisory Committee of Indian Plywood Industries Research and Training Institute, Bangalore. He is also the President of Marwari Relief Society. He is also the Senior Vice-President of Bharat Chamber of Commerce and Life Member and President of School Managing Committee of Sri Sri Academy. He is Secretary of Kalyan Bharati Trust, which has promoted and is managing The Heritage School, Heritage Business School and Heritage Institute of Technology. He is also the President of Friends of Tribal Society one of the largest NGOs in India which runs 50,000 One Teacher School across the country. **Passport No:** Z2217648 **Voter ID** : WB/23/148/222558
Mr. Prem Kumar Bhajanka 	Mr. Prem Kumar Bhajanka, 57 years, is a commerce graduate. He has an experience of over 37 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 Cement Manufacturing Company Ltd., one of the biggest cement plants in North-east. **Passport No:** F3214811 **Voter ID** :TER0112649
Mr. Sanjay Agarwal 	Mr. Sanjay Agarwal, 54 years, is a commerce graduate having 28 years of experience in various fields. He is the Managing Director & a Promoter Director of Century Plyboards (India) Ltd and Cement Manufacturing Company Limited. Mr. Sanjay Agarwal has been actively involved in several socio-cultural activities. He had served as President of Marwari Yuva Manch. He is the Senior Vice-President of MCC Chamber of Commerce and Industry, Executive Committee Member of Indian Chamber of Commerce and Royal Calcutta Golf Club. He is also an avid golfer. Ex-Governing Body Member of Calcutta Wine Club and present Governing Body Member of Bengal Rowing Club. 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 a member of Young Presidents Organization a prestigious organization of young entrepreneurs. **Passport No:** Z2218429 **Voter ID** : XYR0375238

Mr. Hari Prasad Agarwal 	Mr. Hari Prasad Agarwal, 67 years, is a commerce graduate having 42 years of rich experience in various industries. He is presently Vice chairman and Executive Director of Century Plyboards (India) Ltd. He is associated with several social and charitable organisations including St. John Ambulance, India Red Cross Society, Marwari Relief Society, Shree Bishudanand Hospital, Salt lake Sanskrit Sadan, Salt lake Shiksha Sadan, Shri Hari Satsang Samity, Friends of Tribal Society, Nagrik Swastha Sangha, All India Marwari Federation, Maharaja Agrasain Nyas, Shri Kashi Vishwanath Seva Samity and All India Senior Citizen Forum. **Passport No:** K4918251 **Voter ID** : WB/21/142/132434

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	Director	12/04/2011	1. Century Plyboards (India) Ltd. 2. Makui Properties Private Ltd. 3. Marwari Relief Society 4. Sri Ram Vanijya Pvt. Ltd. 5. Sri Ram Merchants Pvt. Ltd. 6. Cement Manufacturing Company Ltd. 7. Pacific Plywoods Pvt. Ltd. 8. Shyam Century Multi Projects Pvt. Ltd. 9. Star Cement Meghalaya Ltd. 10. Meghalaya Power Ltd. 11. Bharat Chamber Of Commerce 12. Star Ferro and Cement Ltd. 13. Century MDF Ltd. 14. Emami Ltd. 15. Centuryply Myanmar Pvt. Ltd. 16. Century Ply (Singapore) Pte Ltd.
Mr. Nag Raj Tater DIN : 00266072	12A, Mandevilla Gardens, Kolkata, 700019, West Bengal, India	Director	09/06/2014	1. Century Infotech Ltd. 2. Century Plantations Ltd. 3. Century Star Shipping Ltd. 4. Century Crop Sciences Pvt. Ltd. 5. Century Sumeru Development Ltd. 6. Century Sumeru Infrastructure Ltd. 7. Century Plyboards (Meghalaya) Ltd. 8. Century LED Ltd. 9. Puri Ports Ltd.

Name & DIN of the Director	Address	Designation	Date of Appointment	Directorship in other Companies/Bodies Corporate
Mrs. Plistina Dkhar DIN: 01375361	2 Mawpon, Vill-Mawpon, PS: Nongstoin, District: West Khasi Hills, Nongstoin, 793119, Meghalaya, India	Independent Director	01/03/2013	1. Riangdo Veneers Pvt. Ltd. 2. Century Plyboards (Meghalaya) Ltd. 3. Megha Bidyut Pvt. Ltd. 4. Star Ferro and Cement Ltd.
Mr. Mangilal Jain DIN: 00353075	37 B, Garcha Road, Calcutta, 700019, West Bengal, India	Independent Director	01/04/2015	1. Century Plyboards (India) Pvt. Ltd. 2. Cement Manufacturing Company Ltd. 3. Megha Technical and Engineers Pvt. Ltd. 4. Auro Sundram Ply and Door Pvt. Ltd. 5. Star Cement Meghalaya Ltd. 6. Meghalaya Power Ltd. 7. Zenith Exports Ltd. 8. NE Hills Hydro Ltd. 9. Star Ferro and Cement Ltd.
Mr. Santanu Ray DIN: 00642736	P-14, Block-B, Bangur Avenue, Kolkata, 700055, West Bengal, India	Independent Director	01/04/2015	1. Century Plyboards (India) Ltd. 2. Star Ferro and Cement Ltd. 3. Megha Technical and Engineers Pvt. Ltd. 4. Star Cement Meghalaya Ltd.
Mr. Aditya Vimalkumar Agarwal DIN: 03330313	Vimal Sadan Opp Ketav Auto Service, Dr Vikram Sarabhai Road Ambawadi, Ahmedabad, 380015, Gujarat, India	Director	01/04/2015	1. Subham Buildwell Pvt. Ltd. 2. Sterlite Polymers Pvt. Ltd. 3. Shyam Ferro Alloys Ltd.

Brief Profile of Directors:

Mr. Sajjan Bhajanka

Mr. Sajjan Bhajanka, 63 years, is a commerce graduate having 37 years of experience in plywood, ferro-silicon and cement industries. He is presently Chairman and Managing Director of Century Plyboards (India) Ltd and Cement Manufacturing Co. Limited.

Mr. Sajjan Bhajanka is responsible for financial management of the group. Mr. Bhajanka is also Chairman of Star Ferro and Cement Ltd. and 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 the President of Federation of Indian Plywood & Panel Industry and All India Veneer Manufacturers Association, Chairman of the Research Advisory Committee of Indian Plywood Industries Research and Training Institute, Bangalore. He is also the President of Marwari Relief Society. He is also the Senior Vice-President of Bharat Chamber of Commerce and Life Member and President of School Managing Committee of Sri Sri Academy. He is Secretary of Kalyan Bharati Trust, which has promoted and is managing The Heritage School, Heritage Business School and Heritage Institute of Technology. He is also the President of Friends of Tribal Society one of the largest NGOs in India which runs 50,000 One Teacher School across the country.

Mr. Nagraj Tater

Mr. Nagraj Tater, 62 years, is a Commerce Graduate. He is having over 38 years experience in Finance, Accounts and Taxation. He is a Non-Executive Non-Independent Director on our Board of Directors. He is also Director on the board of several other companies.

Mrs. Plistina Dkhar

Mrs. Plistina Dkhar, 55 years, is an undergraduate. She has an experience of over 29 years in administration and management and has been associated with various companies.

Mr. Mangilal Jain

Mr. Mangi Lal Jain, aged about 84 years, is a Commerce Graduate and Chartered Accountant. He had also completed Hindi Sahitya Visharad from Hindi Sahitya Sammelan, Allahabad.

He had served in top executive positions in various companies of repute 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., Advance Medicare & Research Institute Ltd. Besides Star Ferro and Cement Ltd, Mr. Mangi Lal Jain is also an independent Director on the Board of several other companies like Century Plyboards (India) Ltd., Cement Manufacturing Company 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. Mangi Lal Jain has been 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, 67 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, Zydus 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., Star Ferro and Cement 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.

Mr. Aditya Vimalkumar Agarwal

Mr. Aditya Vimalkumar Agarwal, 26 years, is a Commerce Graduate and Master’s in Business administration.

Corporate Governance

Our Company is in full compliance with Clause 49 of the Listing Agreement with the stock exchanges.

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 Clause 49 of the Listing Agreement.

Board of Directors

Composition of Board

The Board of Directors comprises of three Independent Directors and three Non-Executive Non-Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges and the provisions of the Companies Act, 2013. The Board of Directors comprises of:

Name	**Category**	**Terms of Office**
Mr. Sajjan Bhajanka	Non Executive Non-Independent Director	Liable to retirement by rotation
Mr. Nagraj Tater	Non Executive Non-Independent Director	Liable to retirement by rotation
Mrs. Plistina Dkhar	Independent Director	Not liable to retirement by rotation
Mr. Mangilal Jain	Independent Director	Not liable to retirement by rotation
Mr. Santanu Ray	Independent Director	Not liable to retirement by rotation
Mr. Aditya Vimalkumar Agarwal	Non Executive Non-Independent Director	Liable to retirement by rotation

Audit Committee

The Audit Committee was constituted as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of:

Member of the Audit Committee	**Designation**
Mr. Mangilal Jain	Chairman
Mr. Santanu Ray	Member
Mr. Aditya Vimalkumar Agarwal	Member

Powers of Audit Committee

a) To investigate any activity within its terms of reference.
b) To seek information from any employee.
c) To obtain outside legal or other professional advice.
d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

A brief description of the role of the Audit Committee as contained under Clause 49 of the Listing Agreement is as under:

1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board 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
   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
   g) Qualifications in the draft audit report

5) Reviewing, with the management, the quarterly financial statements before submission to the board 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 utilized 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) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8) Approval or any subsequent modification of transactions of the company with related parties;

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, performance of statutory and internal auditors, 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) Discussion with internal auditors of 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;

16) Discussion 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) To look 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) To review the functioning of the Whistle Blower mechanism;

19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

a. Management 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 management;
c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
d. Internal audit reports relating to internal control weaknesses; and
e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Nomination & Remuneration Committee:

The Nomination & Remuneration Committee comprises of:

Member of the Nomination & Remuneration Committee	Category
Mr. Nag Raj Tater	Chairman
Mr. Mangilal Jain	Member
Mr. Santanu Ray	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 Clause 49 of the Listing Agreement. The role and scope of the Committee includes, inert 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 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:

Member of the Stakeholders' Relationship Committee	Designation
Mr. Santanu Ray	Chairman
Mr. Aditya Vimalkumar Agarwal	Member
Mr. Nag Raj Tater	Member

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.

5. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of:

Member of the Corporate Social Responsibility Committee	**Designation**
Mr. Nag Raj Tater	Chairman
Mr. Mangilal Jain	Member
Mr. Aditya Vimalkumar Agarwal	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.

Remuneration to our Executive Directors

Presently, the Company does not have any Executive Directors on the Board.

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) at its meeting held on 28.04.2015. The said sitting fee shall be payable for the meetings held on and after 28.04.2015.

CAPITAL STRUCTURE

Share Capital Pre-Scheme of Arrangement:

(₹ in Lacs)

	Amount
Authorised	10.00
10,00,000 Equity Shares of ₹1/- each	
Issued & Subscribed	
5,00,000 Equity Shares of ₹1/- each fully paid-up	5.00
Paid-up	
5,00,000 Equity Shares of ₹ 1/- each fully paid-up	5.00

Share Capital Post-Scheme of Arrangement:

(₹ in Lacs)

	Amount
Authorised	2,227.00
22,27,00,000 Equity Shares of ₹1/- each	
Issued & Subscribed	
22,21,72,990 Equity Shares of ₹1/- each fully paid-up	2,221.73
Paid-up	
22,21,72,990 Equity Shares of ₹ 1/- each fully paid-up	2,221.73

Equity Build up of the Company

Date of Allotment	**No. of Shares**	**Cumulative No. of Shares**	**Face Value (₹)**	**Issue Price (₹)**	**Cumulative Paid-up Capital (₹)**	**Nature of Allotment/ Remarks**	**Consideration**
12.04.2011	5,00,000	5,00,000	1	1	5,00,000*	On incorporation	Cash
28.04.2015	22,21,72,990	22,21,72,990	1	1	22,21,72,990	Pursuant to the Scheme of Arrangement	NA

** Cancelled subsequently pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Meghalaya at Shillong, vide its order dated March 31, 2015*

Shareholding pattern of the Company before and after the Scheme of Arrangement:

Shareholding pattern before the scheme:

The entire equity capital consisting of 5,00,000 equity shares was held by SFCL. All the said shares were cancelled subsequently pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Meghalaya at Shillong, vide its order dated March 31, 2015.

Shareholding pattern after the Scheme (as on April 28, 2015):

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)[1]	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
(A)	**Shareholding of Promoter and Promoter Group[2]**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	23	10,80,91,576	10,80,91,576	48.65	48.65	30,00,000	2.78
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	6	3,93,29,080	3,93,29,080	17.70	17.70	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(1)	**29**	**14,74,20,656**	**14,74,20,656**	**66.35**	**66.35**	**30,00,000**	**2.03**
2	**Foreign**							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-
d	Qualified Foreign Investor	-	-	-	-	-	-	-
e	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**29**	**14,74,20,656**	**14,74,20,656**	**66.35**	**66.35**	**30,00,000**	**2.03**
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI	-	-	-	-	-		
(b)	Financial Institutions / Banks	1	5,430	5,430	0.00	0.00		
(c)	Central Government/ State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	-	-	-	-	-		
(f)	Foreign Institutional Investors	5	2,49,170	2,49,170	0.11	0.11		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Qualified Foreign Investor	-	-	-	-	-		
(i)	Any Other (specify)	-	-	-	-	-		
	Sub-Total (B)(1)	**6**	**2,54,600**	**2,54,600**	**0.11**	**0.11**		

(B) (2)	**Non-institutions**							
(a)	Bodies Corporate	427	2,08,59,406	2,08,42,906	9.39	9.39		
(b)	Individuals							
I	Individual shareholders holding nominal share capital up to Rs 1 lakh	9,155	75,74,140	66,59,971	3.41	3.41		
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	21	4,58,63,628	4,58,63,628	20.64	20.64		
(c)	Qualified Foreign Investor	-	-	-	-	-		
(d)	Any Other (specify)				-	-		
(d-i)	Trusts	7	1,10,250	1,10,250	0.05	0.05		
(d-ii)	Clearing Member	43	21,678	21,678	0.01	0.01		
(d-iii)	Non Resident Individual	149	68,632	68,632	0.03	0.03		
	Sub-Total (B)(2)	**9,802**	**7,44,97,734**	**7,35,67,065**	**33.53**	**33.53**		
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**9,808**	**7,47,52,334**	**7,38,21,665**	**33.65**	**33.65**		
	TOTAL (A)+(B)	**9,837**	**22,21,72,990**	**22,12,42,321**	**100.00**	**100.00**	**30,00,000**	**1.35**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	-	-	-		-		
2	Public	-	-	-		-		
	Sub-Total (C)	**-**	**-**	**-**		**-**	**-**	
	GRAND TOTAL (A)+(B)+(C)	**9,837**	**22,21,72,990**	**22,12,42,321**	**100.00**	**100.00**	**30,00,000**	**1.35**

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	**Name of the shareholder**	**Details of Shares held**		**Encumbered shares (*)**			**Details of warrants**		**Details of convertible securities**		**Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital**
		Number of shares held	**As a % of grand total (A) +(B) + (C)**	**No.**	**As a percentage**	**As a % of grand total (A)+(B)+ (C) of sub-clause (I) (a)**	**Number of warrants held**	**As a % total number of warrants of the same class**	**Number of convertible securities held**	**As a % total number of convertible securities of the same class**	

(I)	*(II)*	*(III)*	*(IV)*	*(V)*	*(VI)= (V)/(III)* 100*	*(VII)*	*(VIII)*	*(IX)*	*(X)*	*(XI)*	*(XII)*
1	Prem Kumar Bhajanka	2,43,69,386	10.97	-	-	-	-	-	-	-	10.97
2	Sanjay Agarwal	1,72,58,245	7.77	-	-	-	-	-	-	-	7.77
3	Santosh Bhajanka	1,50,49,500	6.77	-	-	-	-	-	-	-	6.77
4	Divya Agarwal	1,44,88,750	6.52	-	-	-	-	-	-	-	6.52
5	Sajjan Bhajanka	1,43,65,675	6.47	-	-	-	-	-	-	-	6.47
6	Yash Bhajanka	32,97,170	1.48	-	-	-	-	-	-	-	1.48
7	Prem Kumar Bhajanka	30,00,000	1.35	3000000	100.00	1.35	-	-	-	-	1.35
8	Hari Prasad Agarwala	24,35,760	1.10	-	-	-	-	-	-	-	1.10
9	Sajjan Bhajanka	22,50,000	1.01	-	-	-	-	-	-	-	1.01
10	Sanjay Agarwal	22,50,000	1.01	-	-	-	-	-	-	-	1.01
11	Bhawna Agarwal	18,21,690	0.82	-	-	-	-	-	-	-	0.82
12	Sumitra Devi Agarwala	16,76,250	0.75	-	-	-	-	-	-	-	0.75
13	Hari Prasad Agarwala	15,30,990	0.69	-	-	-	-	-	-	-	0.69
14	Rajesh Kumar Agarwal	7,45,225	0.34	-	-	-	-	-	-	-	0.34
15	Shraddha Agarwal	7,00,000	0.32	-	-	-	-	-	-	-	0.32
16	Sonu Kajaria	5,30,010	0.24	-	-	-	-	-	-	-	0.24
17	Payal Agrawal	5,00,000	0.23	-	-	-	-	-	-	-	0.23
18	Bhawna Agarwal	5,00,000	0.23	-	-	-	-	-	-	-	0.23
19	Sonu Bhajanka	5,00,000	0.23	-	-	-	-	-	-	-	0.23
20	Payal Bhajanka	5,00,000	0.23	-	-	-	-	-	-	-	0.23
21	Keshav Bhajanka	1,22,925	0.06	-	-	-	-	-	-	-	0.06
22	Shraddha Agarwal	1,00,000	0.05	-	-	-	-	-	-	-	0.05
23	Nancy Bhajanka	1,00,000	0.05	-	-	-	-	-	-	-	0.05
24	Sriram Vanijya Pvt. Ltd.	85,02,180	3.83	-	-	-	-	-	-	-	3.83
25	Brijdham Merchants Pvt. Ltd.	77,43,990	3.49	-	-	-	-	-	-	-	3.49
26	Sumangal International Pvt. Ltd.	76,66,800	3.45	-	-	-	-	-	-	-	3.45
27	Sumangal Business Pvt. Ltd.	68,31,240	3.07	-	-	-	-	-	-	-	3.07
28	Sriram Merchants Pvt. Ltd.	67,39,870	3.03	-	-	-	-	-	-	-	3.03
29	Auroville Investments Pvt Ltd	18,45,000	0.83	-	-	-	-	-	-	-	0.83
TOTAL		**14,74,20,656**	**66.35**	**3000000**	**2.04**	**1.35**	-	-	-	-	**66.35**

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Subham Agarwal	99,02,567	4.46	-	-	-	-	4.46
2	Brij Bhushan Agarwal	93,44,877	4.21	-	-	-	-	4.21
3	Sheetij Agarwal	67,75,521	3.05	-	-	-	-	3.05
4	Mittu Agarwal	62,88,307	2.83	-	-	-	-	2.83
5	Mahabir Prasad Agarwal	37,61,602	1.69	-	-	-	-	1.69
6	Sumitra Devi Agarwal	34,59,660	1.56	-	-	-	-	1.56
7	Super Diamond Nirman Private Limited	24,32,000	1.09	-	-	-	-	1.09
TOTAL		**4,19,64,534**	**18.89**	-	-	-	-	**18.89**

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	NIL							
TOTAL								

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Promoter/Promoter Group/ Public
	NIL			
TOTAL				

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			
	TOTAL			

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			
	TOTAL			

OBJECTS AND RATIONALE OF THE SCHEME

a. Star Ferro and Cement Limited (Demerged Company) is engaged directly in the business of manufacture of ferro alloys from its factory in the State of Meghalaya. In addition it also has a significant interest in the cement business through its subsidiary, namely Cement Manufacturing Company Limited (CMCL), which carries on the business of manufacture of cement from its factory also situated in the State of Meghalaya. The ferro alloys business of the Demerged Company was originally established and owned by one Shyam Century Ferrous Limited, a company incorporated in the year 2000. The said company was amalgamated with Century Plyboards India Limited ("CPIL") with effect from 1st April 2005 and consequently the said business along with the investment of the said company in CMCL, which was then the said company's subsidiary, came to be owned by CPIL. At the time of such amalgamation, the size and reach of the original plywood and laminate business of CPIL and size of such acquired business and interest in ferro alloys and cement were relatively small and manageable in one entity. The said businesses and interests since grew from strength to strength both organically and inorganically. In view, inter alia, of the same and as part of a business reorganisation plan to rationalise and simplify the holding structure of the said businesses and interests, the Ferro Alloys and Cement Division of CPIL, including its investments in CMCL, was separated from CPIL by its demerger to the Demerged Company with effect from 1st April, 2012. The Demerged Company in its present form with its subsidiary CMCL is thus a result of the said demerger. Further, in terms of the demerger, the shareholding of CPIL in the Demerged Company was cancelled and new shares in the Demerged Company in consideration of the demerger issued and allotted directly to the shareholders of CPIL. The Demerged Company has since also been listed on the same stock exchanges where CPIL was listed.

b. Although the said ferro alloys business and cement business manufacture different products, the same have been historically held together through one company as the operating and holding company in the State of Meghalaya as aforesaid. Both businesses have grown manifold since they were established. As compared to a gross turnover of Rs.14.15 crores in the financial year 2005-2006, the said ferro alloys business had a gross turnover of Rs.142.35 crores in the financial year, 2013-2014, in the respective entities in which it was held. Again, as compared to a gross turnover of Rs.13.35 crores in the financial year 2004-2005, being the first year of its operations, the said cement business had a gross turnover of Rs.348.20 crores in the financial year, 2011-2012, Rs.373.93 crores in the financial year 2012-2013 and Rs.758.25 crores in the financial year 2013-2014 in CMCL. The said businesses have good potential for growth and development and funding thereof as independent businesses. the Demerged Company also holds 83,58,998 Equity Shares of Rs.10/- each of Meghalaya Power Limited ("MPL") constituting 48.80% of the total Issued, Subscribed and Paid up Share Capital of MPL. In the Demerged Company, the same represents the business vertical of generation of power. MPL is engaged in such business from its power plant situated near the cement factory of CMCL in the State of Meghalaya. At present the power generated in the said power plant is supplied mainly to CMCL. However, the said business also has good potential for development as a separate business. Capacity addition is proposed accordingly in the said power business. However, at present the size of the said power business is relatively small. While capacity addition is also proposed in the ferro alloys business and cement business, the same are much larger and self-supporting businesses.

c. In view, inter alia, of the aforesaid and for the optimum running, growth and development of the said businesses it is considered desirable and expedient to reorganise and reconstruct the Resulting Company by demerging the Ferro Alloys Division of the Demerged Company, including its investments in MPL, to the Resulting Company in the manner and on the terms and conditions stated in this Scheme of Arrangement. the Resulting Company is presently a wholly owned (100%) subsidiary of the Demerged Company.

d. The Scheme will result in the formation of two more focussed entities, i.e, (i) the Resulting Company carrying on and having interests primarily in the ferro alloys business and (ii) the Demerged Company having interests primarily in the cement business. Further, in consideration of the demerger, the Resulting Company will issue and allot shares in the Resulting Company to the shareholders of the Demerged Company. The Demerged Company's holding in SCFL shall stand cancelled. While the Demerged Company is already listed, the Resulting Company will seek listing of its shares pursuant to the demerger.

e. The Scheme will further simplify and rationalise the holding structure of the said businesses and interests of the Demerged Company. Consequent to the Scheme, both the Demerged Company and the Resulting Company will be held directly as aforesaid and have greater capacity for raising and accessing funds. The Scheme will enable independent evaluation of the ferro alloys business and cement businesses through two such separate companies and participation therein of suitable investors and strategic partners. The same will enable running and operation of the said businesses and growth and development plans thereof to be funded independently and unlock shareholders value. Pursuant to the Scheme every shareholder of the Demerged Company will hold shares in two Companies, i.e. in the Demerged Company and the Resulting Company instead of one, giving them greater flexibility in managing and/or dealing with their investments in the said businesses.

f. The Scheme will enable the said ferro alloys business and cement business to be held and monitored through the Resulting Company and the Demerged Company respectively with greater focus, attention and specialisation. The Scheme will facilitate the business considerations and factors peculiar to the respective businesses to be evaluated more effectively and adequately by the respective Companies.

g. The Scheme will also facilitate the eventual scaling up of the power business in MPL and its development as a self-supporting and independent business to be pursued more effectively.

h. The cancellation of existing capital of the Resulting Company as aforesaid is only consequential to the demerger and will rationalise and adjust the capital structure and shareholding pattern of the Resulting Company suitably and enable the shareholders of the Demerged Company to have like interests inter se in the Resulting Company as they had in the Demerged Company prior to the demerger.

i. The Scheme will assist in the potential of the respective businesses being realized more fully and will have beneficial results for the said Companies, their shareholders and all concerned. The Scheme is proposed accordingly.

SCHEME OF ARRANGEMENT

The Hon'ble High Court of Meghalaya at Shillong, vide its Order dated .March 31, 2015, has approved the Scheme of Arrangement among Star Ferro And Cement Limited, Shyam Century Ferrous Limited and their respective shareholders, whereby the demerger of Ferro Alloys Division of SFCL to SCFL with effect from April 01, 2014 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956 has been approved.

The Scheme is operative from the Appointed Date i.e., April 01, 2014. However, it is effective from the date of filing of Form 42 of the Companies (Court) Rules, 1959 of the High Court in relation to the Scheme along with Form INC 28 with the Registrar of Companies, Shillong & Meghalaya i.e., April 10, 2015.

The text of the Scheme of Arrangement is as under:

PART – I
(Preliminary)

1. **Definitions:**
In this Scheme, unless repugnant to 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 Demerged Company and the Resulting 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. "**Demerged Company**" means Star Ferro and Cement Limited, a Company incorporated under the provisions of the Act and having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya- 793 210.

iii. "**Resulting Company**" means Shyam Century Ferrous Limited, a Company incorporated under the provisions of the Act and having its registered office at Village: Lumshnong, Post Office: Khaliehriat, District: East Jaintia Hills, Meghalaya -793 210.

iv. "**Appointed Date**" means the 1st day of April, 2014.

v. "**Ferro Alloys Division**" means the undertaking of the Demerged Company constituted in the business and interests of the Demerged Company in manufacture of ferro alloys and comprising Ferro Alloys and Power Plant at Byrnihat in the State of Meghalaya and shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of the Demerged Company pertaining to the Ferro Alloys Division, including:

(a) all properties and assets, moveable and immoveable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Ferro Alloys Division, including all lands admeasuring 26,714 square metres in Raja Bagan, EPIP, Industrial Area, Plot No.A-8, Byrnihat, District Ri-Bhoi in the State of Meghalaya, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, 83,58,998 Equity Shares of Rs.10/- each of Meghalaya Power Limited and other investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of the Demerged Company in relation to the Ferro Alloys Division, leases, tenancies and agency of the Demerged Company pertaining to the Ferro Alloys Division, and all other interests or rights in or arising out of or relating to the Ferro Alloys Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, patents, copyrights, brand names, trademarks, other intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, etcetera), deferred tax benefits and other benefits appertaining to the Ferro Alloys Division and/or to which the Demerged Company is entitled to in respect of the Ferro Alloys Division of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Ferro Alloys Division;

(b) all debts, liabilities, duties and obligations of the Demerged Company in relation to the Ferro Alloys Division, including liabilities on account of secured loans, unsecured loans and sundry creditors and sales-tax, bonus, gratuity and other taxation and contingent liabilities of the Demerged Company pertaining to the Ferro Alloys Division; and

(c) all employees of the Demerged Company engaged in or in relation to the Ferro Alloys Division.

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 Demerged Company and the Resulting Company with the Registrar of Companies.

vii. "**Scheme**" means this Scheme of Arrangement under Sections 391 to 394 of the Act in the present form or with such modification(s) as sanctioned by the Hon'ble High Court.

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 Demerged Company and the Resulting Company is as under:

i. The Demerged Company

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

ii. The Resulting Company

Authorised Share Capital:	(Rs.)
10,00,000 Equity Shares of Re.1/- each	10,00,000/-
Issued, Subscribed and Paid up Share Capital:	
5,00,000 Equity Shares of Re.1/- each fully paid up	5,00,000/-

All the Equity Shares of the Resulting Company are held by the Demerged Company. Accordingly, the Resulting Company is presently a wholly owned (100%) subsidiary of the Demerged Company.

3. Objects and Reasons:

i. The Demerged Company is engaged in the business of manufacture of ferro alloys from its factory in the State of Meghalaya. In addition the Demerged Company also has a significant stake in the cement business with its subsidiary, namely Cement Manufacturing Company Limited (CMCL), manufacturing cement from its factory also situated in the State of Meghalaya. The ferro alloys business of the Demerged Company was originally established and owned by one Shyam Century Ferrous Limited, a company incorporated in the year 2000. The said company was amalgamated with Century Plyboards India Limited ("CPIL") with effect from 1st April 2005 and consequently the said business along with the investment of the said company in CMCL, which was then the said company's subsidiary, came to be owned by CPIL. At the time of such amalgamation, the size and reach of the original plywood and laminate business of CPIL and size of such acquired business and interest in ferro alloys and cement were relatively small and manageable in one entity. The said businesses and interests since grew from strength to strength both organically and inorganically. In view, inter alia, of the same and as part of a business reorganisation plan to rationalise and simplify the holding structure of the said businesses and interests, the Ferro Alloys and Cement Division of CPIL, including its investments in CMCL, was separated from CPIL by its demerger to the Demerged Company with effect from 1st April, 2012. The Demerged Company in its present form with its subsidiary CMCL is thus a result of the said demerger. Further, in terms of the demerger, the shareholding of CPIL in the Demerged Company was cancelled and new shares in the Demerged Company in consideration of the demerger issued and allotted directly to the shareholders of CPIL. The Demerged Company has since also been listed on the same stock exchanges where CPIL was listed.

ii. Although the said ferro alloys business and cement business manufacture different products, the same have been historically held together through one company in the State of Meghalaya as aforesaid. Both businesses have grown manifold since they were established. As compared to a gross turnover of Rs.12.55 crores in the financial year 2005-2006, the said ferro alloys business had a gross turnover of Rs.142.07 crores in the financial year, 2013-2014, in the respective entities in which it was held. Again, as compared to a gross turnover of Rs.13.35 crores in the financial year 2004-2005, being the first year of its operations, the consolidated cement business had a gross turnover of Rs.595.55 crores in the financial year, 2011-2012, Rs.623.21 crores in the financial year 2012-2013 and Rs.1027.40 crores in the financial year 2013-2014. The said businesses have good potential for growth and development and funding thereof as independent businesses. The Demerged Company also holds 83,58,998 Equity Shares of Rs.10/- each of Meghalaya Power Limited ("MPL") constituting 48.80% of the total Issued, Subscribed and Paid up Share Capital of MPL. In the Demerged Company, the same represents the business vertical of generation of power. MPL is engaged in such business from its power plant situated near the cement factory of CMCL in the State of Meghalaya. At present the power generated in the said power plant is supplied mainly to CMCL. However the said business also has good potential for development as a separate business. Capacity addition is proposed accordingly in the said power business. However, at present the size of the said power business is relatively small. While capacity addition is also proposed in the ferro alloys business and cement business, the same are much larger and self-supporting businesses.

iii. In view, inter alia, of the aforesaid and for the optimum running, growth and development of the said businesses it is considered desirable and expedient to reorganise and reconstruct the Resulting Company by demerging the Ferro Alloys Division of the Demerged Company, including its investments in MPL, to the Resulting Company in the manner and on the terms and conditions stated in this Scheme of Arrangement. The Resulting Company is presently a wholly owned (100%) subsidiary of the Demerged Company.

iv. The Scheme will result in the formation of two more focussed entities, i.e, (i) the Resulting Company having interests primarily in the ferro alloys business and (ii) the Demerged Company having interests primarily in the cement business. Further, in consideration of the demerger, the Resulting Company will issue and allot shares in the Resulting Company to the shareholders of the Demerged Company. The Demerged Company's holding in SCFL shall stand cancelled. While the Demerged Company is already listed, the Resulting Company will seek listing of its shares pursuant to the demerger.

v. The Scheme will further simplify and rationalise the holding structure of the said businesses. Consequent to the Scheme, the interests in the ferro alloys business and cement business will be realigned and held separately through the Demerged Company and the Resulting Company with each Company having greater capacity for raising and accessing funds for the respective business. The Scheme will enable independent evaluation of the ferro alloys business and cement businesses through two such separate companies and participation therein of suitable investors and strategic partners. The same will enable running and operation of the said businesses and growth and development plans thereof to be funded independently and unlock shareholders value. Pursuant to the Scheme every shareholder of the Demerged Company will hold shares in two Companies, i.e. in the Demerged Company and the Resulting Company instead of one, giving them greater flexibility in managing and/or dealing with their investments in the said businesses.

vi. The Scheme will enable the said ferro alloys business and cement business to be held and monitored through the Resulting Company and the Demerged Company respectively with greater focus, attention and specialisation. The Scheme will facilitate the business considerations and factors peculiar to the respective businesses to be evaluated more effectively and adequately by the respective Companies. The Scheme will enable the Demerged Company to concentrate on growing and developing the cement business, including by extending its activities in such business in any manner considered beneficial and appropriate. The Scheme will similarly enable the Resulting Company to pursue and concentrate on the ferro alloys business more conveniently and advantageously.

vii. The Scheme will also facilitate the eventual scaling up of the power business in MPL and its development as a self-supporting and independent business to be pursued more effectively.

viii. The cancellation of existing capital of the Resulting Company as aforesaid is only consequential to the demerger and will rationalise and adjust the capital structure and shareholding pattern of the Resulting Company suitably and enable the shareholders of the Demerged Company to have like interests inter se in the Resulting Company as they had in the Demerged Company prior to the demerger.

ix. The Scheme will assist in the potential of the respective businesses being realized more fully and will have beneficial results for the said Companies, their shareholders and all concerned. The Scheme is proposed accordingly.

PART – II

(Demerger of Ferro Alloys Division of the Demerged Company to the Resulting Company)

4. Transfer of Ferro Alloys Division of the Demerged Company:

4.1 With effect from the Appointed Date, the Ferro Alloys Division of the Demerged Company shall stand demerged to the Resulting Company. Accordingly, the Ferro Alloys Division of the Demerged 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 transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in the Resulting Company, as a going concern with effect from the Appointed Date for all the estate and interest of the Demerged Company therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.

4.2 It is expressly provided that in respect of such of the said assets of the said Ferro Alloys Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by the Demerged Company and shall become the property of the Resulting Company accordingly as an integral part of the Ferro Alloys Division transferred to the Resulting Company, without requiring any deed or instrument of conveyance for the same.

4.3 In respect of such of the assets of the Ferro Alloys Division 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 Resulting 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 Demerged Company relating to the Ferro Alloys Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of the Demerged Company relating to the Ferro Alloys Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to the Resulting Company, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of the Resulting Company.

4.5 The transfer and vesting of the Ferro Alloys Division of the Demerged Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of the Demerged Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Resulting Company and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of the Resulting Company. Any reference in any security documents or arrangements (to which the Demerged Company is a party) to any assets of the Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Resulting Company. Similarly, the Resulting Company shall not be required to create any additional security over assets of Ferro Alloys Division of the Demerged Company acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of the Resulting Company shall not extend or be deemed to extend or apply to the assets so acquired by the Resulting Company.

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 Demerged Company for the operations of the Ferro Alloys Division and/or to which the Demerged Company is entitled to in relation to the Ferro Alloys Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in the Resulting Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. Since the Ferro Alloys Division will be transferred to and vested in the Resulting Company as a going concern without any break or interruption in the operation thereof, the Resulting 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 Ferro Alloys Division 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 Demerged Company is entitled in relation to the Ferro Alloys Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in the Resulting Company upon this Scheme becoming effective.

5. Legal Proceedings:

All legal or other proceedings by or against the Demerged Company and relating to the Ferro Alloys Division of the Demerged Company shall be continued and enforced by or against the Resulting Company only. If proceedings are taken against the Demerged Company, the Demerged Company will defend on notice or as per advice of the Resulting Company at the costs of the Resulting Company and the Resulting Company will indemnify and keep indemnified the Demerged Company from and against all liabilities, obligations, actions, claims and demands in respect thereof.

6. Contracts and Deeds:

6.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the Ferro Alloys Division to which the Demerged Company is a party or to the benefit of which the Demerged 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 Resulting Company as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

6.2 The Demerged Company and/or the Resulting Company shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, or enter Into any Tripartite Arrangement, confirmation or novation to give formal effect to the provisions of this Clause.

7. Saving of Concluded Transactions:

The transfer and vesting of the properties and liabilities of the Ferro Alloys Division under Clause 4 above, the continuance of the proceedings by or against the Resulting Company under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceeding relating to the Ferro Alloys Division already completed by the Demerged Company on or before the Effective Date to the end and intent that the Resulting Company accepts all acts, deeds and things relating to the Ferro Alloys Division done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

8. Employees:

On and from the Effective Date:

8.1 The Resulting Company undertakes to engage all the employees of the Demerged Company engaged in the Ferro Alloys Division on the Effective Date on the same terms and conditions on which they are engaged by the Demerged Company without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Ferro Alloys Division to the Resulting Company.

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, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with the Demerged Company.

8.3 The accumulated balances, if any, standing to the credit of the employees of the Ferro Alloys Division in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by the Resulting Company and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by the Resulting Company. Pending the transfer as aforesaid, the dues of the employees of the Ferro Alloys Division relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

9. Business in trust for the Resulting Company:

With effect from the Appointed Date and upto and including the Effective Date:

9.1 The Demerged Company undertakes to carry on the business of the Ferro Alloys Division in the ordinary course of business and the Demerged Company shall be deemed to have carried on and to be carrying on all business and activities relating to the Ferro Alloys Division for and on account of and in trust for the Resulting Company.

9.2 All profits accruing to the Demerged Company (including taxes paid thereon) or losses arising or incurred by the Demerged Company in relation to the Ferro Alloys Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of the Resulting Company.

9.3 The Demerged Company shall be deemed to have held and stood possessed of the properties to be transferred to the Resulting Company for and on account of and in trust for the Resulting Company and, accordingly, the Demerged Company shall not (without the prior written consent of the Resulting Company) alienate, charge or otherwise deal with or dispose of the Ferro Alloys Division or any part thereof except in the usual course of business.

10. Issue of Shares:

10.1 Upon the Scheme coming into effect and without further application, act or deed, the Resulting Company shall, in consideration of the demerger and transfer of the Ferro Alloys Division, issue and allot to the members of the Demerged Company holding fully paid up Equity Shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on such date ("Record Date for Demerger Shares") as the Board of Directors of the Demerged Company shall determine in consultation with the Resulting Company, Equity Shares of Re.1/- each in the Resulting Company, credited as fully paid up with rights attached thereto as hereinafter mentioned in the following entitlement ratio:

1 (One) Equity Share of Re.1/- each in the Resulting Company credited as fully paid up for every 1 (One) Equity Share of Re.1/- each fully paid-up held by them in the capital of the Demerged Company.

10.2 All the Equity Shares to be issued and allotted by the Resulting Company to the Equity Shareholders of the Demerged Company under this Scheme shall rank pari passu in all respects with the existing Equity Shares of the Resulting Company. Further such Equity Shares shall pursuant to circular issued by the Securities Exchange Board of India (SEBI) on 4 February 2013 bearing No.CIR/CFD/DIL/05/2013 and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of the Demerged Company are listed and/or admitted to trading.

10.3 No fractional shares shall be issued by the Resulting Company in respect of the fractional entitlements, if any, to which the members of the Demerged Company may be entitled on issue and allotment of Equity Shares in the Resulting Company as above. The Board of Directors of the Resulting Company or a committee thereof shall consolidate all such fractional entitlements, and issue and allot the Equity Shares in lieu thereof to a Director and / or Officer(s) of the Resulting 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 Resulting Company the net sale proceeds thereof, whereupon the Resulting Company shall distribute such net sale proceeds to the members of the Demerged Company in proportion to their fractional entitlements.

10.4 In respect of the shareholding of the members in the Demerged Company held in the dematerialised form, the Equity Shares in the Resulting Company shall, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to clause 10.1 above with such shares being credited to the existing depository accounts of the members of the Demerged Company entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date for Demerger Shares.

10.5 In respect of the shareholding of the members in the Demerged Company held in the certificate form, the Equity Shares in the Resulting Company shall be issued to such members in certificate form. Members of the Demerged Company desirous of receiving the new shares in the Resulting Company in dematerialised form should have their shareholding in the Demerged Company dematerialised on or before the Record Date for Demerger Shares.

10.6 Upon the Scheme becoming effective, the Authorised Share Capital of the Resulting Company shall be increased to Rs.22,27,00,000/- divided into 22,27,00,000 Equity Shares of Re.1/- each and Clause V of the Memorandum of Association of the Resulting Company shall be altered accordingly subject to compliance of the provisions of Section 117 of the Companies Act, 2013.

10.7 The Resulting 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 of Equity Shares in the Resulting Company in terms hereof to the non-resident members of the Demerged Company.

10.8 The Equity Shares in the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

10.9 There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date for Demerger Shares and the listing which may affect the status of the approval of the Stock Exchanges to this Scheme under clause 24(f) of the listing agreement.

11. Cancellation of Existing Shares of the Resulting Company:

All existing shares held by the Demerged Company in the Resulting Company, i.e. 5,00,000 Equity Shares of Re.1/- each shall stand cancelled, without any further act or deed, upon the new Equity Shares being issued by the Resulting Company to the shareholders of the Demerged Company as on the Record Date for Demerger Shares and until such cancellation shall continue to be held by the Demerged Company.

12. Accounting:

12.1 The assets and liabilities of the Ferro Alloys Division shall be transferred to the Resulting Company and incorporated in the books of account of the Resulting Company at their values as appearing in the books of account of the Demerged Company. A Statement of assets and liabilities of the Ferro Alloys Division as appearing in the books of account of the Demerged Company as on March 31, 2014 is set out in Schedule I hereto.

12.2 The difference between the book value of the said assets and liabilities of the Ferro Alloys Division, recorded in the books of account of the Resulting Company, as reduced by the aggregate face value of the Equity Shares issued and allotted by the Resulting Company in terms of clause 10 above shall be adjusted in Capital Reserves in the books of account of the Resulting Company.

12.3 In the books of account of the Demerged Company the difference between the assets and liabilities of the Ferro Alloys Division, shall be adjusted against its Capital Reserves.

12.4 Subject to the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.

13. Post Scheme conduct of business:

Even after this Scheme becomes operative, the Resulting Company shall be entitled to operate all Bank Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the Ferro Alloys Division in the name of the Demerged Company and in so far as may be necessary until the transfer of rights and obligations of the said Ferro Alloys Division to the Resulting Company under this Scheme is formally accepted by the parties concerned.

14. Remaining Business:

Save and except the Ferro Alloys Division of the Demerged Company and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the other business, undertaking, assets, and liabilities of the Demerged Company which shall continue to belong to and be vested in and be managed by the Demerged Company.

PART – III
(General/ Miscellaneous Provisions)

15. Applications:

the Demerged Company and the Resulting Company shall, with all reasonable dispatch, make necessary applications under Sections 391 to 394 of the Act, to the Hon'ble High Court having jurisdiction under the Act, for sanction and carrying out of the Scheme. Any such application shall, upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the Hon'ble High Court shall be construed as references to the National Company Law Tribunal as the context may require. The Demerged Company and the Resulting Company shall also apply for such other approvals as may be necessary in law, if any, for bringing the Scheme into effect. Further, the Demerged Company and the Resulting Company shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

16. Approvals and Modifications:

The Demerged Company and the Resulting 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:

16.1 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(s) 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.

16.2 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 Demerged Company and the Resulting 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.

17. Scheme Conditional Upon:
The Scheme is conditional upon and subject to:

17.1 Approval of the Scheme by the requisite majorities of the members of the Demerged Company and the Resulting Company;

17.2 Sanction of the Scheme by the Hon'ble High Court;

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble High Court sanctioning this Scheme are filed with the Registrar of Companies.

18. 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 upto the stage of sanction of this Scheme, shall be borne and paid by the Demerged Company. Subsequent to the said stage or in the event the Scheme does not take effect or stands withdrawn for any reason whatsoever, each Company shall pay and bear their own costs.

19. Residual Provisions:
19.1 Save as provided in Clauses 10 above, the Demerged Company and the Resulting Company shall not at any time during the period commencing from the date of approval of this Scheme by the Board of Directors of the said Companies and ending with the Effective Date make any change in their capital structure either by way of increase (by issue of equity shares on a rights or preferential allotment basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Boards of Directors of the Demerged Company and the Resulting Company.

19.2 On the approval of the Scheme by the members of the Demerged Company and the Resulting Company pursuant to Section 391 of the Companies Act, 1956, it shall be deemed that the said members have also accorded all relevant consents under Section 100 or any other provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent the same may be considered applicable.

19.3 Pursuant to demerger of the Ferro Alloys Division of the Demerged Company to the Resulting Company in terms of the scheme, the Demerged Company shall apply to the Reserve Bank of India for registration as a Non Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, if and to the extent required.

19.4 The demerger and transfer and vesting of the Ferro Alloys Division of the Demerged Company to the Resulting Company under this Scheme has been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section(s) at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Shyam Century Ferrous Limited
Village : Lumshnong, PO Khaliehriat,
Dist. East Jaintia Hills,
Meghalaya - 793210

Dear Sirs,

Sub: Statement of Possible Tax Benefits available to Shyam Century Ferrous Limited and its shareholders

We report that the enclosed statement states the possible tax benefits available to Shyam Century Ferrous Limited ("the Company") and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957, as amended by Finance Act, 2014. 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:08/05/2015

STATEMENT OF TAX BENEFITS

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

Nil

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) invests a sum of more than ₹25 crore in new assets (plant or machinery) as specified in Section 32AC, during the period beginning from 1st April, 2015 and ending on 31st March, 2017, then, the assessee shall be allowed a deduction of a sum equal to 15% of actual cost of such new assets for the assessment year relevant to that previous year

For FY 2014-15, 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 31st day of March, 2005the Company engaged in the business of manufacture of profuction 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 assesse 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 1st day of April 2014 and ending on the 10th 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. 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 XVIIB 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. Benefits under the Wealth Tax Act, 1957:

Shares in an Indian company are excluded from the definition of ‘asset’ as defined in section 2(ea) of the Wealth Tax Act, 1957. Accordingly, shares of the Company are not liable to wealth tax in the hands of the shareholders.

10. 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.

11. 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. The Company has not paid any dividend on its equity shares so far.

IV. FINANCIAL INFORMATION

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHYAM CENTURY FERROUS LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of **Shyam Century Ferrous Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and 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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 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 true and fair view in order to design audit procedures controls that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 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:

(i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2015;
(ii) in the case of the Statement of Profit and Loss account, of the Profit of the Company for the year ended on that date; and
(iii) in the case of Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") as amended ,issued by the Central Government of India in terms of sub-section (11) Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 & 4 of the said Order.

2. 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 purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Kolkata
Date : 07th May,2015

Annexure referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

   (b) The fixed assets of the company are physically verified by management according to a phased programme on a rotational basis, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

2. (a) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.

   (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of Inventory as compared to book records.

3. The Company has not granted any unsecured loan to company covered in the register maintained u/s 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and other services. During the course of our audit, no major weakness has been noticed in these internal controls.

5. On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.

6. We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.

7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other statutory dues applicable to it. There are no undisputed amount payable in respect of Income tax and other applicable Statutory dues which were in arrears as at 31.03.2015 for a period of more than six months from the date they became payable.

   (b) According to the information & explanation give to us, there are no dues of Income tax and other applicable Statutory Dues which have not been deposited on account of any dispute.

   (c) According to the information & explanation give to us, there is no such amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.

8. The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

9. Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.

10. The Company has not given any guarantee for loan taken by others from banks and financial institution.

11. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

12. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

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

Place: Kolkata
Date: 07th May,2015

CA. Arun Kumar Sharma
Partner
Membership No. 57329

SHYAM CENTURY FERROUS LIMITED
Regd. Office: Vill:-Lumshnong, P.O. Khaliehrait, Dist. East Jaintia Hills, Meghalaya - 793 210
Balance Sheet as at 31st March 2015

(₹ in Lacs)

Particulars	Note	31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	5.00	5.00
Share Capital - Pending Allotment		2,216.73	-
Reserves & Surplus	3	6,620.15	0.17
		8,841.88	**5.17**
Non-current liabilities			
Long Term Borrowings	4	553.98	-
Deferred Tax Liabilities	5	73.14	-
Long Term Provisions	6	37.00	-
		664.12	-
Current Liabilities			
Short Term Borrowings	7	2,420.47	-
Trade Payables		488.07	-
Other Current Liabilities	8	791.26	0.04
Short Term Provisions	9	49.02	0.03
		3,748.82	**0.07**
Total		**13,254.82**	**5.24**
ASSETS			
Non-current Assets			
Fixed Assets			
-Tangible Assets	10	2,513.43	-
-Intangible Assets	11	0.51	-
-Capital Work in Progress		-	-
		2,513.94	-
Non Current Investments	12	3,373.50	-
Long Term Loans and Advances	13	1,123.85	-
Other Non Current Assets	14	4.49	4.91
		7,015.78	**4.91**
Current Assets			
Inventories	15	3,584.40	-
Trade Receivables	16	1,226.85	-
Cash and Cash Equivalents	17	324.46	0.33
Short Term Loans and Advances	18	1,103.33	-
		6,239.04	**0.33**
Total		**13,254.82**	**5.24**
Significant accounting policies and notes on accounts	1.2		

The accompanying notes form 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
Membership No : 57329
Place: Kolkata
Date: 07th May, 2015

For and on behalf of the Board of Directors

Hasti Doshi
Chief Financial officer

Sajjan Bhajanka
Director
DIN : 00246043

Rachna Pareek
Company Secretary

Nag Raj Tater
Director
DIN : 00266072

SHYAM CENTURY FERROUS LIMITED

Regd. Office: Vill:-Lumshnong, P.O. Khaliehrait, Dist. East Jaintia Hills, Meghalaya - 793 210

Statement of Profit and Loss for the year ended 31st March 2015

(₹ in Lacs)

Particulars	Note	2014-15	2013 - 14
INCOME			
Revenue from Operations (Gross)	19	11,826.79	-
Less: Excise Duty (Net)		236.18	-
Revenue from Operations (Net)		**11,590.61**	**-**
Other Income	20	0.39	0.42
Total Revenue		**11,591.00**	**0.42**
EXPENSES			
Cost of Materials Consumed	21	3,535.22	-
(Increase)/Decrease in Inventories	22	(779.97)	-
Employee Benefit Expenses	23	549.83	-
Finance Costs	24	334.62	-
Depreciation and Amortization Expenses		463.98	-
Other Expenses	25	6,577.79	0.14
Total Expenses		**10,681.47**	**0.14**
Profit/(Loss) before exceptional and extraordinary items and tax		**909.53**	**0.28**
Exceptional Items		**(28.23)**	**-**
Profit/(Loss) before tax		**881.30**	**0.28**
Tax Expenses			
-Current Tax		(354.04)	0.07
-Deferred Tax		4.95	
Profit/(Loss) for the year		**532.21**	**0.21**
Earnings Per Equity Share (nominal value of share ₹ 1/-)			
Basic Earning Per Share		**106.44**	**0.04**
Diluted Earning Per Share		**0.24**	**0.04**
Significant accounting policies and notes on accounts	1.2		

The accompanying notes form an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors

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

Hasti Doshi
Chief Financial Officer

Sajjan Bhajanka
Director
DIN : 00246043

CA. Arun Kumar Sharma
Partner
Membership No : 57329
Place: Kolkata
Date: 07th May, 2015

Rachna Pareek
Company Secretary

Nag Raj Tater
Director
DIN : 00266072

SHYAM CENTURY FERROUS LIMITED
Regd. Office: Vill:-Lumshnong, P.O. Khaliehrait, Dist. East Jaintia Hills, Meghalaya - 793 210
Cash Flow Statement for the year ended 31st March 2015

(₹ in Lacs)

Sl. No.	Particulars	2014-15	2013-14
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit / (Loss) before Tax	909.53	0.28
	Adjustments for:		
	Depreciation/Amortisation	463.98	-
	Loss on sale of Fixed Assets	(28.23)	-
	Finance Cost	334.62	-
	Interest and Other Income	(0.39)	(0.41)
	Provision for Doubtful Debts	(129.89)	-
	Operating Profit before Working Capital changes	**1,549.62**	**(0.13)**
	Adjustments for:		
	(Increase) in Trade Receivables	559.23	-
	(Increase) Decrease in Inventories	(1,582.76)	-
	(Increase) Decrease in Long Term Loans & Advances	(286.55)	-
	(Increase) Decrease in Short Term Loans & Advances	(152.15)	-
	(Increase) in Other Current Assets	396.55	-
	Increase/(Decrease) in Long Term Provisions	9.30	-
	Increase/(Decrease) in Short Term Provisions	47.18	0.03
	Increase/(Decrease) in Other Current Liabilities	479.33	-
	Increase/(Decrease) in Trade Payables	(570.32)	-
	Cash Generated from Operations	**449.43**	**(0.10)**
	Direct Taxes Paid (Net of Refunds)	(194.85)	0.07
	Net Cash generated from Operating Activities	**254.58**	**(0.17)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	48.32	-
	Sale of Fixed Assets	(37.45)	-
	Fixed Deposits/Margin Money (Given)/Refund	1.70	(4.91)
	Dividend Received		-
	Interest Received	0.39	0.41
	Net Cash from Investing Activities	**12.96**	**(4.50)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Increase in Short Term Borrowings	686.75	-
	Repayment of Long Term Borrowings	(299.45)	-
	Interest Paid	(334.62)	-
	Net Cash used in Financing Activities	**52.68**	**-**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	320.22	(4.67)
	-		
	Cash and Cash Equivalents as on 1st April, 2014	0.33	5.00
	Add : Transferred as per Scheme of Arrangement (Refer Note no. 26)	3.91	-
		4.24	5.00
*	Cash and Cash Equivalents as on 31st March'2015	324.46	0.33

* Represents Cash and Bank Balances as indicated in Note 17.

Note :

1) As the Ferro Alloys Division of Star Ferro and Cement Limited (SFCL) has been transferred to the Company, the current year Cash Flow Statement is not comparable with the corresponding previous year Cash Flow Statement.

2) The Cash Flow Statement for the current financial year has been reported after taking into consideration the financial statements of Ferro Alloy business as on 01.04.2014.

As per our Report of even Date

For and on behalf of the Board of Directors

For Kailash B. Goel & Co.
Firm Registration No. 322460E
Chartered Accountants
CA. Arun Kumar Sharma
Partner
Membership No : 57329
Place: Kolkata
Date: 07th May, 2015

Hasti Doshi
Chief Financial Officer

Sajjan Bhajanka
Director
DIN : 00246043

Rachna Pareek
Company Secretary

Nag Raj Tater
Director
DIN : 00266072

1 CORPORATE INFORMATION

Shyam Century Ferrous Limited (the Company) is a public company domiciled in India and incorporated on 12.04.2011under the provisions of the Companies Act, 1956.Pursuant to the Scheme of Arrangement between Star Ferro and Cement Limited (SFCL), the Company and their respective shareholders as approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31st March, 2015, all the assets and liabilities of the Ferro Alloy division (i.e. business and interest of SFCL in manufacture of Ferro Alloys including captive power plant at Byrnihat)have been transferred to and vested in the Company at their respective book values on a going concern basis with effect from 1st April, 2014 being the appointed date. The Company is engaged in manufacturing of Ferro Alloys and generation of Power. The manufacturing units located at Byrnihat, Meghalaya. The company is selling its product across India.

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 Summary of Significant Accounting Policies

(i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates.

(ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(a) Revenue from sale of goods and services rendered is recognized upon passage of title which generally coincides with delivery of materials and rendering of services to the customers. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company, hence excluded from revenues. Sales include excise duty and are net of rebates, trade discounts and returns.
(b) Dividend Income is recognized when the shareholders' right to receive the payment is established.
(c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

(iii) Fixed Assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortisation and impairment, if any, except freehold land which is carried at cost. Cost comprises the purchase price inclusive of duties (net of cenvat / VAT, wherever applicable), taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the value, is considered in the accounts and the differential amount is transferred to revaluation reserve.

(iv) 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.

(v) 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 cost, prior to commencement of commercial production are capitalised.

(vi) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(vii) Depreciation

Depreciation on fixed assets is provided under Written Down Value method 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. 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.

(viii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value on individual investment basis. Long Term Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

(ix) 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 realisable 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 FIFO 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.

(x) Government Grants and subsidies

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

(xi) Retirement and other employee benefits

(a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. The Company has no obligations other than the contribution payable to the respective funds.

(b) Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each financial year.

(d) Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

(xii) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deductible preference dividend and attributable taxes) by the weighted number of equity shares outstanding during the year.

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

(xiii) Excise Duty and Custom Duty

Excise duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the balance sheet date. Similarly, customs duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/ bonding of materials.

(xiv) Borrowing Costs

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

(xv) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized 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. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative 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. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India, the said assets is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The company reviews the carrying amount of MAT at each Balance Sheet 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 specified period.

(xvi) Segment Reporting

a) Identification of segments:

The company has identified that its business segments are the primary segments. The Company's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that offers different product / services and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

b) Inter segment transfers:

The Company generally accounts for intersegment sales and transfers at cost.

c) Allocation of Common Costs:

Common revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated".

The accounting policies adopted for segment reporting are in line with those of the Company's accounting policies.

(xvii) Cash and 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.

(xviii) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(xix) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

2. Share Capital	31.03.2015	31.03.2014
Authorised		
10,00,000 (10,00,000 as at 31.03.2014) Equity Shares of ₹ 1/- each	10.00	10.00
Total	**10.00**	**10.00**
Issued		
5,00,000 (5,00,000 as at 31.03.2014) Equity Shares of ₹1/- each	5.00	5.00
Total	**5.00**	**5.00**
Subscribed and Paid up		
5,00,000 (5,00,000 as at 31.03.2014) Equity Shares of ₹1/- each #	5.00	5.00
Total	**5.00**	**5.00**

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

Equity Shares	31.03.2015		31.03.2014	
	No of Shares	(₹ in Lacs)	No of Shares	(₹ in Lacs)
At the Beginning of the year	5,00,000	5.00	5,00,000	5.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,00,000**	**5.00**	**5,00,000**	**5.00**

b) **Terms/Rights attached to the Equity Shares & Notes**

The company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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 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.

c) **Details of Shareholders holding more than 5% shares in the company**

Particulars	31.03.2015		31.03.2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹1/- each fully paid-up				
Star Ferro and Cement Limited	5,00,000	100.00%	-	-
Shri Sajjan Bhajanka	-	-	1,10,000	22.00%
Shri Sanjay Agarwal	-	-	12,500	22.50%
Shri Mahabir Prasad Agarwal	-	-	1,00,000	20.00%
Shri Brij Bhushan Agarwal	-	-	1,00,000	20.00%
Shri Sanjay Agarwal	-	-	50,000	10.00%

The existing share capital would be cancelled upon allotment of shares pursuant to Scheme of Arrangement (Refer Note no. 26)
As per records of the Company, including its register of shareholders/members , the above shareholding represents legal ownerships of shares.

Particulars	31.03.2015	31.03.2014
Share Capital - Pending Allotment Shares to be alloted as per Scheme of Arrangement (net of shares to be cancelled on allotment, Refer Note no. 26)	2,216.73	-
Total	**2,216.73**	**-**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

3. Reserves & Surplus	**31.03.2015**	**31.03.2014**
Capital Reserves		
Balance as per last account	-	-
Amount adjusted pursuant to Scheme of Arrangement (Refer note no. 26)	6,087.77	
Addition/(Deduction) during the Year	-	-
Closing Balance	6,087.77	-
Surplus as per Statement of Profit & Loss		
Balance as per the last Financial Statements	0.17	(0.04)
Add: Profit /(Loss) for the year	532.21	0.21
Net Surplus in the Statement of Profit and Loss	**532.38**	**0.17**
Total Reserves and Surplus	**6,620.15**	**0.17**

(₹ in Lacs)

4. Long Term Borrowings	**31.03.2015**	**31.03.2014**
Term Loans (Secured)		
-Rupee Term Loan from a Financial Institution	703.98	-
Other Loans & Advances (Secured)		
-Hire Purchase Finance from a bank	14.16	-
	718.14	-
Less: Current Maturities of Long Term Borrowing & Hire Purchase Obligations	164.16	-
Total	**553.98**	**-**

Notes:-

a) Rupee Term Loan from financial institution is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets of the company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit. The Loan is to be repaid in further 18 quarterly instalments.

b) Hire Purchase Finance from bank is secured by hypothecation of respective vehicle/asset and is repayable within two years having varying date of payment.

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

5. Deferred Tax Asset / (Liability) (Net)	31.03.2015	31.03.2014
Deferred Tax Asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes upon payment	13.51	-
	13.51	**-**
Deferred Tax Liability*		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged	86.65	-
	86.65	**-**
Net Deferred Tax Asset / (Liability)	**(73.14)**	**-**

* Deferred Tax Liability of ₹ 78.10 Lacs transferred to the company pursuant to the Scheme of Arrangement (Refer note no. 26)

(₹ in Lacs)

6. Long Term Provisions	31.03.2015	31.03.2014
Provisions for employee benefits		
-Gratuity	27.26	-
-Leave Encashment	9.74	-
Total	**37.00**	**-**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

7. Short Term Borrowings	31.03.2015	31.03.2014
Working Capital Facilities		
-Cash Credit from a bank (Secured)	2,420.47	-
Total	**2,420.47**	-

Notes:-

Working Capital facility from bank is secured by first charge on the current assets and second charge on the fixed assets of the company's Ferro Alloy Plant at Byrnihat, Meghalaya.

(₹ in Lacs)

8. Other Current Liabilities	31.03.2015	31.03.2014
Current Maturities of long term borrowings	164.16	-
Other Payables		
-Statutory Liabilities	88.46	-
-Creditors-Micro, Small & Medium Enterprises (Refer note no. 29)	-	-
-Advances from customer	52.26	-
-Salary & Bonus Payable to Employees	55.38	-
-Other Liabilities	431.00	0.04
Total	**791.26**	**0.04**

(₹ in Lacs)

9. Short Term Provisions	31.03.2015	31.03.2014
Provisions for employee benefits		
-Gratuity	1.58	-
-Leave Encashment	1.16	-
Other Provisions		
-Provision for Taxation (Net of Advance Tax)	46.28	0.03
Total	**49.02**	**0.03**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

10 : Tangible Assets	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost										
At 1st April '2013	-	-	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March'2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer pursuant to Scheme of Arrangement (Refer Note no. 26)	86.16	1,016.31	387.17	4,559.03	1,117.78	34.41	12.16	28.59	596.56	7,838.17
Addition	-	10.40	-	40.78	1.84	0.69	1.16	2.10	26.41	83.38
Disposals	-	-	-	-	-	-	-	-	300.06	300.06
At 31st March'2015	**86.16**	**1,026.71**	**387.17**	**4,599.81**	**1,119.63**	**35.10**	**13.32**	**30.68**	**322.91**	**7,621.49**
Depreciation										
At 1st April '2013	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March'2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer pursuant to Scheme of Arrangement (Refer Note no. 26)	-	543.22	141.14	2,965.48	747.38	26.92	5.76	23.16	426.00	4,879.06
Charge for the year	-	44.98	36.30	151.62	166.78	3.17	4.51	3.88	52.13	463.37
Disposals	-	-	-	-	-	-	-	-	234.37	234.37
As at 31 March '2015	**-**	**588.20**	**177.44**	**3,117.10**	**914.16**	**30.09**	**10.27**	**27.04**	**243.76**	**5,108.06**
Net Block										
As at 31 March '2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 March '2015	**86.16**	**438.51**	**209.73**	**1,482.71**	**205.47**	**5.01**	**3.05**	**3.64**	**79.15**	**2,513.43**

11 : Intangible Assets	Computer Software
Cost	
At 1st April '2013	-
Addition	-
Disposals	-
At 31st March'2014	**-**
Transfer pursuant to Scheme of Arrangement (Refer Note no. 26)	1.75
Addition	-
Disposals	-
At 31st March'2015	**1.75**
Depreciation	
At 1st April '2013	-
Charge for the year	-
Disposals	-
At 31st March'2014	**-**
Transfer pursuant to Scheme of Arrangement (Refer Note no. 26)	0.63
Charge for the year	0.61
Disposals	-
As at 31 March '2015	**1.24**
Net Block	
As at 31 March '2014	**-**
As at 31 March '2015	**0.51**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

12. Non Current Investments	31.03.2015	31.03.2014
-		
Trade Investments (valued at cost unless stated otherwise)		
-		
Investment in Unquoted Equity Instruments		
Investment in Associate		
Meghalaya Power Limted		
83,58,998 (Nil as at 31.03.14) Equity Shares of ₹ 10/- each fully paid up	3,373.50	-
Total	**3,373.50**	**-**

(₹ in Lacs)

13. Long Term Loans and Advances	31.03.2015	31.03.2014
Security Deposits		
-Unsecured, Considered Good	60.77	-
	60.77	-
Other Loans and advances		
-Unsecured considered Good		
Prepaid expenses	0.29	-
Balance with Statutory/Government Authorities	1,062.79	-
	1,063.08	-
Total	**1,123.85**	**-**

(₹ in Lacs)

14. Other Non Current Assets	31.03.2015	31.03.2014
-In Fixed Deposit accounts with original maturity of more than 12 months	4.49	4.91
Total	**4.49**	**4.91**

(₹ in Lacs)

15. Inventories	31.03.2015	31.03.2014
Inventories		
Raw Materials	547.39	-
Finished Goods	999.13	-
Fuels, packing materials, etc.	1,676.34	-
Stores & Spare Parts	361.54	-
Total	**3,584.40**	**-**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

16. Trade Receivables	**31.03.2015**	**31.03.2014**
Unsecured		
Over Six Months		
Considered Good	76.85	-
	76.85	-
Other Debts		
Unsecured Considered Good	1,150.00	-
	1,150.00	-
Total	**1,226.85**	**-**

(₹ in Lacs)

17. Cash & Cash Equivalents	**31.03.2015**	**31.03.2014**
Cash On Hand	30.96	0.03
Balance with Banks:		
- In current accounts	293.50	0.30
	-	
Total	**324.46**	**0.33**

(₹ in Lacs)

18. Short Term Loans and Advances	**31.03.2015**	**31.03.2014**
-		
Others		
Advances to suppliers	66.81	-
Advances for Services & Expenses	259.07	-
Loans & Advances to Employees	1.90	-
Prepaid Expenses	10.72	-
Balances with / Receivable from Statutory/Government Authorities	764.83	-
Total	**1,103.33**	**-**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

19. Revenue from Operations	**2014-15**	**2013-14**
Sale of products	11,810.75	-
Other Operating Revenues	16.04	-
Total	**11,826.79**	**-**
Details of Products Sold		
Finished Goods Sold		
Ferro Silicon	11,810.75	-
	11,810.75	**-**

20. Other Income	**2014-15**	**2013-14**
Interest Income on Fixed Deposits	0.39	0.42
Total	**0.39**	**0.42**

(₹ in Lacs)

21. Cost of Raw Materials Consumed	**2014-15**	**2013-14**
Inventory at the beginning of the year	-	-
Add : Transfer pursuant to Scheme of Arrangement (Refer note no. 26)	204.80	
Add: Purchases	3,877.81	-
	4,082.61	**-**
Less: Inventory at the end of the year	547.39	-
Cost of Material Consumed	**3,535.22**	**-**
Details of Raw Material consumed		
Charcoal	589.25	-
Quartz	444.19	-
Lam Coke	1,726.09	-
Mill Scale	333.87	-
Coal	135.76	-
Other	306.06	-
Total	**3,535.22**	**-**

22. (Increase)/Decrease in Inventories	**2014-15**	**2013-14**
Inventory at the beginning of the year	-	-
Add : Transfer pursuant to Scheme of Arrangement (Refer note no. 26)	219.16	-
Inventory at the end of the year	999.15	-
(Increase) /Decrease	**(779.99)**	**-**
Details of Finished Goods		
Ferro Silicon	989.28	-
Silicon Manganese	9.85	-
Total	**999.13**	**-**

SHYAM CENTURY FERROUS LIMITED
Notes to Financial Statements [Contd.]

(₹ in Lacs)

23. Employee Benefit Expenses	2014-15	2013-14
Salaries & Wages	479.83	-
Contribution to Provident Fund and other Funds	24.17	-
Staff Welfare Expenses	45.83	-
Total	**549.83**	**-**

(₹ in Lacs)

24. Finance Costs	2014-15	2013-14
Interest Expenses		
-On Fixed Loans	280.06	-
-On Other Loans	33.13	-
Other Finance Costs	21.43	-
Total	**334.62**	**-**

(₹ in Lacs)

25. Other Expenses	2014-15	2013-14
Consumption of Stores & Spares	652.87	-
Packing Materials	80.69	-
Power & Fuel (Net)	4,798.40	-
Repairs & Maintenance		
- Building	28.49	-
- Plant & Machinery	197.91	-
- Others	8.77	-
Excise Duty variation on opening/ closing inventory	38.47	-
Insurance	47.92	-
Rent, Rates & Taxes	45.21	0.03
Travelling and Conveyance	21.60	-
Heavy Vehicle / Equipment Running Expenses	17.99	-
Miscellaneous Expenses	119.93	0.11
Outward Freight Charges	507.09	-
Commission, Discount & Incentives on Sale	12.45	-
Total	**6,577.79**	**0.14**

26. Scheme of Arrangement

a. Pursuant to the Scheme of Arrangement ("The Scheme") between Star Ferro and Cement Limited (SFCL), the Company and their respective shareholders as approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31st March, 2015, all the assets and liabilities of the Ferro Alloy division (i.e. business and interest of the company in manufacture of Ferro Alloys including captive power plant at Byrnihat in the State of Meghalaya) and investment in 83,58,998 Equity Shares of Meghalaya Power Limited of face value of ₹10/- each held by 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, 2014 being the appointed date. The said order of the Hon'ble High Court has been filed with the Registrar of Companies on 10th April, 2015, the effective date of the scheme and accordingly, the Scheme of Arrangement has been given effect to in these accounts.

b. The details of the assets and liabilities transferred from SFCL are as under :

(₹ in Lacs)

Particulars	Amount
Assets	
Non-Current Assets	
Fixed Assets	2,960.23
Capital Work in Progress	28.57
Long term Loans & Advances	837.30
Other Non - Current Assets	1.29
Non-Current Investments	3,373.50
	7,200.89
Current Asset	
Inventories	2,001.64
Sundry Debtors	1,656.20
Cash and Cash equivalents	3.90
Short term Loans & Advances	1,213.94
Other Current Assets	396.55
	5,272.23
Total Assets (A)	**12,473.12**
Current Liabilities & Short term Provisions	
Short term Borrowings	1,733.72
Trade Payables	1,058.40
Other Current Liabilities	329.35
Short term Provisions	105.38
	3,226.85
Non CurrentLiabilities	
Long term Borrowings	835.98
Long term Provisions	27.70
Deferred Tax Liabilities	78.10
	941.78
Total Liabilities(B)	**4,168.63**
Difference (A-B)	**8,304.49**

c. Pursuant to the Scheme, the difference between book value of assets and liabilities transferred from the SFCL has been credited to the Shareholders' Fund of the Company as under :

(₹ in Lacs)

Particulars	Amount
Share Capital – Pending Allotment(net of shares to be cancelled pursuant to the Scheme of Arrangement)	2,216.73
Capital Reserve	6,087.76
Total	**8,304.49**

d. Pursuant to the said Scheme of Arrangement, the Company will issue and allot Equity Shares to the shareholders of SFCL in ratio of 1 (one) Equity Share of ₹1/- each of the Company as fully paid – up for every 1 (one) Equity Share of ₹1/- each held by them in SFCL. Pending allotment of these shares, the amount of ₹2,216.73 Lacs is shown as 'Share Capital – Pending Allotment' (net of shares to be cancelled pursuant to the Scheme of Arrangement).

e. Consequent to the allotment of new shares as per the Scheme of Arrangement, current share capital of the Company of ₹5 Lacs would be cancelled.

27. Contingent Liabilities

(₹ in Lacs)

Sl. No.	Particulars	As at 31.03.15	As at 31.03.14
1	Contingent Liabilities not provided for in respect of :–		
	(a) Bills discounted with banks	17.86	-
	(b) Solvent surety given to Excise Department against differential excise duty refund (Refer note no. 31)	606.34	-

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.

28. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the company.

29. Payment to Auditors (₹ in Lacs)

Particulars	31-03-2015	31-03-2014
As Auditor		
-Audit Fees	0.50	0.05
-Tax Audit Fees	0.25	-
In Other Capacity		
Certification and Other Services	0.45	-
Total	**1.20**	**0.05**

30. Excise Duty Refund

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 differential 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 Hon'ble High Court and legal opinion obtained by the company, the differential excise duty refund of ₹365.90lakhshas been recognized as revenue in the books of account.

31. The Company has charged depreciation based on the remaining useful life of the assets as per the provisions and requirements of Schedule II to the Companies Act, 2013 effective from April 1, 2014. Had there not been any change in useful life of the Assets, depreciation for the year would have been lower by ₹6.01Lacs and consequently profit before tax for the year would have been higher by ₹6.01Lacs.

32. Employee Defined Benefits

(a) Defined Contribution Plans: The Company has recognized an expense of ₹15.97Lacs (Previous year ₹Nil Lacs towards the defined contribution plans).

(b) 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 following table summarizes the components of net benefit expenses recognized in the Statement of Profit & Loss and amounts recognized in the balance sheet for the Gratuity.

(c) Under leave encashment scheme, the company allows its employees to encash accumulated leave over and above thirty days at any time during the year.

(d) Defined Benefit Plans – As per Actuarial Valuation as at 31st March'2015.

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Expense recognized in the statement of Profit and Loss for the year ended 31st March'2015				
1. Current Service Cost	6.21	3.15	-	-
2. Interest Cost	1.98	0.79	-	-
3. Employee Contribution	-	-	-	-
4. Expected Return on Plan Assets	-	-	-	-
5. Actuarial (Gains)/Losses	1.73	1.91	-	-
6. Actuarial (Gains)/Losses on plan Assets	-	-	-	-
7. Total Expense	9.92	5.85	-	-
II. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March'2015				
1. Present Value of Defined Benefit Obligation	28.84	10.90	-	-
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/(Deficit)]	(28.84)	(10.90)	-	-
4. Net Asset/(Liability) as at 31st March'2015	(28.84)	(10.90)	-	-
III. Change in Obligation during the Year ended 31st March'2015				
1. Present value of Defined Benefit Obligation at the beginning of the year	20.65	8.86	-	-
2. Current Service Cost	6.21	3.15	-	-
3. Interest Cost	1.98	0.79	-	-
4. Past Service Cost	-	-	-	-
5. Employee Contribution	-	-	-	-
6. Liabilities assumed on acquisition/ (settled on divesture)	-	-	-	-
7. Actuarial (Gains/Losses)	1.73	1.91	-	-
8. Benefits Payments	(1.73)	(3.81)	-	-
9. Present Value of Defined Benefit Obligation at the end of the year	28.84	10.90	-	-
IV. Change in assets during the Year ended March'2015				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Assets acquired on amalgamation in previous	-	-	-	-

year				
3. Actual return on plan assets	-	-	-	-
4. Contributions by employer	1.73	3.81	-	-
5. Actual Benefit Paid	(1.73)	(3.81)	-	-
6. Actuarial Gains/(Losses)	-	-	-	-
7. Plan Assets at the end of the year	-	-	-	-
8. Actual Return on plan assets	-	-	-	-
V. The Principal actuarial assumptions are as follows:				
- Discount Rate	8.00%	8.00%	-	-
- Expected Return on Plan Assets	-	-	-	-
- Salary increase	5%	5%	-	-
- Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	1%-8%	1%-8%	-	-

The details of the Experience adjustments for the current and previous periods are as follows:

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1. Defined Benefit Obligation	28.84	10.90	-	-
2. Plan Assets	-	-	-	-
3. Surplus / (Deficit)	(28.84)	(10.90)	-	-
4. Experience adjustments on plan Liability	0.98	0.40	-	-
5. Experience adjustments on plan assets	-	-	-	-

33. Earnings per Share (EPS):

In terms of Accounting Standard - 20, the calculation of EPS is given below:

Particulars	2014-15	2013-14
Profit/(Loss) attributable to Equity Shareholders for basic and diluted EPS	532.21	0.21
Weighted average number of Equity Shares for Basic EPS	5,00,000.00	5,00,000.00
Weighted average number of Equity Shares to be issued pursuant to Scheme of Arrangement(net of shares to be cancelled on allotment, Refer Note no. 27)	22,16,72,990.00	-
Weighted average number of Equity Shares for Diluted EPS	22,21,72,990.00	-
Nominal value of equity shares (₹)	1.00	1.00
Basic earnings per share (EPS) (₹)	106.44	0.04
Diluted earnings per share (₹)	0.24	0.04

34. Related Party Disclosures

Name of the related parties and related party relationship:

Names of Related parties with whom transactions have taken place during the year	
Associate	Cement Manufacturing Company Limited
	Megha Technical & Engineers Private Limited
	Meghalaya Power Limited
	Star Ferro and Cement Limited

Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2015 are given hereunder:

(₹ in Lacs)

Sl. No.	**Type of Transactions**	**Associate**	
		2014-15	**2013-14**
1.	**Purchase Transaction** Megha Technical & Engineers Private Limited Meghalaya Power Limited	1.22 504.37	-
2.	**Sale Transaction** Cement Manufacturing Company Limited	16.36	-
3.	**Loans Taken** Meghalaya Power Limited	200.00	-
4.	**Loans Repaid** Meghalaya Power Limited	200.00	-
5.	**Interest Paid** Meghalaya Power Limited	5.40	-
6.	Outstanding Balances as at 31st March, 2015:		
	Advance Payable Star Ferro and Cement Limited	72.36	-
	Investment Meghalaya Power Limited	3,373.50	-

35. The Company's segment information as at and for the Year ended 31st March, 2014 are as below:

(₹ in Lacs)

Sl. No.	**Particulars**	**2014-15**			**2013-14**		
		Ferro Alloys	**Power Unit**	**Total**	**Ferro Alloys**	**Power Unit**	**Total**
a.	External sales	11,810.75	16.04	11,826.79	-	-	-
	Inter-segment sales		2,199.85	2,199.85	-	-	-
	Elimination		(2,199.85)	(2,199.85)			
	Total Revenue (Gross)	11,810.75	16.04	11,826.79	-	-	-
b.	Segment Results	1,548.35	(221.02)	1,327.33	-	-	-
	Unallocated Income/ (-) Expenses (Net of unallocated Income/(-) Expenses)(Including Exceptional Items)	-	-	(115.17)	-	-	-
	Operating Profit/Loss (-)	-	-	1,212.16	-	-	-
	Finance Cost	-	-	(330.86)	-	-	-
	Provision for Taxation	-	-	(354.04)	-	-	-
	Deferred Tax charge / (-) Credit	-	-	4.95	-	-	-

Sl. No.	Particulars	2014-15			2013-14		
		Ferro Alloys	Power Unit	Total	Ferro Alloys	Power Unit	Total
	Total Profit /(-) Loss after tax	-	-	532.21	-	-	-
a.	Other Information						
	Segment Assets	6,580.59	3,297.20	9,877.79	-	-	-
	Unallocated Corporate/Other Assets	-	-	3,377.05	-	-	-
	TOTAL	6,580.59	3,297.20	13,254.84	-	-	-
b.	Segment Liabilities	932.17	277.64	1,209.81	-	-	-
	Unallocated Corporate/Other Liabilities	-	-	3,203.15	-	-	-
	TOTAL	932.17	277.64	4,412.96	-	-	-
c.	Capital Expenditure	(32.11)	(184.56)	(216.67)	-	-	-
d.	Depreciation/ Amortisation	263.20	200.78	463.98	-	-	-

Notes:

(a) Business Segments: The business segments have been identified on the basis of the products/activities of the Company. Accordingly, the Company has identified following business segments:

Ferro-Alloys	-	Manufacturing of Ferro Alloy
Power	-	Generation of Power

(b) Geographical Segments: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

36. Value of Imported and indigenous Raw-materials and stores, Spare parts etc. and their percentage to total consumption

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Value	%	Value	%
Raw Materials -Imported -Indigenous	 - 3,535.22	 - 100	 - -	 - -
Total	**3,535.22**	**100**	**-**	**-**
Stores & Spare parts etc -Imported -Indigenous	 - 653.55	 - 100	 - -	 - -
Total	**653.55**	**100**	**-**	**-**

37. By virtue of Notification no. G.S.R. 723 (E) dated 14th October, 2014 issued by the Ministry of Corporate Affairs, a Company which does not have a subsidiary or subsidiaries but has one or more associate company, no consolidation of Financial statements in respect of associate companies is required to be made for the Financial Year commencing from the 1st day of April, 2014 and ending on the 31st March, 2015. Hence, the company is not required to consolidate its accounts in respect of its investment in associate. The disclosure for the same is made in Form No. AOC -1.

38. Figures have been rounded off to the nearest ₹in Lacs. Previous year's figures including those given in brackets have been rearranged and regrouped where necessary to confirm to the current year's classifications. Further, current year's figures include figures of Ferro Alloy business and investments which have been acquired by the company pursuant to the Scheme of Arrangement (Refer note no. 27). Hence, previous year's figures are not comparable with current year's figure.

For Kailash B. Goel & Co.
Firm Registration Number 322460E
Chartered Accountants

CA Arun Kumar Sharma
Partner
Membership No.057329

Place : Kolkata
Date: 07th May, 2015

For and on behalf of the Board

Hasti Doshi
Chief Financial Officer

Sajjan Bhajanka
Director
DIN : 00246043

Rachna Pareek
Company Secretary

Nag Raj Tater
Director
DIN : 00266072

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. Star Ferro and Cement Limited (SFCL)
2. Cement Manufacturing Company Limited (CMCL)
3. Megha Technical & Engineers Private Limited (MTEPL)
4. Meghalaya Power Limited (MPL)
5. Star Cement Meghalaya Limited (SCML)

1. Star Ferro and Cement Limited (SFCL)

Star Ferro and Cement Limited was incorporated on March 10, 2011 under the Companies Act, 1956.

The Registered Office of the Company was shifted from 6, Lyons Range, Kolkata – 700 001 to Vill. Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya- 793 210 with effect from April 10, 2014.

The equity shares of SFCL are listed on the NSE and BSE.

SFCL was engaged in the manufacture of Ferro Alloys having 27 MVA submersible arc furnaces at EPIP, Byrnihat. SFCL also had a captive power plant of 13.8 MW and the balance power being arranged from Meseb/IEX purchases.

The Company is holding 70.48% in Cement Manufacturing Company Ltd. which is a leading cement manufacturer in North East India having strong financial parameters and impeccable track record with banks and financial institutions.

The company is also holding of 83,58,998 Equity Shares of Rs.10/- each of Meghalaya Power Limited.

The entire Ferro Alloys business of SFCL including captive power plant of 13.8 MW and 83,58,998 Equity Shares of Rs.10/- each of Meghalaya Power Limited has been demerged to SCFL pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Meghalaya at Shillong vide its order dated March 31, 2015 with effect from the appointed dated i.e. April 1, 2014.

Corporate Identity Number: L27310ML2011PLC008564

Board of Directors

The Board of Directors of SFCL comprises of:

Name	Status
Mr. Sajjan Bhajanka	Chairman
Mr. Hari Prasad Agarwal	Director
Mr. Sanjay Agarwal	Director
Mr. Manindra Nath Banerjee	Independent Director
Mr. Santanu Ray	Independent Director
Mr. Mangi Lal Jain	Independent Director
Mrs. Plistina Dkhar	Independent Director

Shareholding Pattern

The shareholding pattern of SFCL as on March 31, 2015 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	14,76,89,656	66.48
Public	7,44,83,334	33.52
Total	**22,21,72,990**	**100.00**

Change in Management

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

Financial Performance

Financial performance of SFCL for the last three years is as follows:

(₹ in lacs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total Income	0.10	15,318.86	6,485.76
Profit after Tax	(138.58)	1,573.23	(558.76)
Equity Capital	2,221.73	2,221.73	2,221.73*
Reserves & Surplus (excluding revaluation reserve)	786.14	9,229.23	8,389.17
Net worth	3,007.87	11,450.96	10,610.90
NAV per share	1.35	5.15	4.78
Earnings per share (EPS) *(Basic)* in ₹	(0.06)	0.71	(111.75)
Earnings per share (EPS) *(Diluted)* in ₹	(0.06)	0.71	(0.25)
No. of Equity Shares of ₹1/- each	22,21,72,990	22,21,72,990	22,21,72,990

*1 Including ₹2,216.73 Lakhs towards Equity Share Capital pending allotment.

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

Months	BSE		NSE	
	High Price (₹)	**Low Price(₹)**	**High Price (₹)**	**Low Price(₹)**
Nov-2014	89.00	67.10	92.80	67.95
Dec-2014	116.00	83.60	119.00	82.30
Jan-2015	112.50	66.55	112.85	65.00
Feb-2015	179.00	97.00	179.00	95.05
Mar-2015	189.00	158.00	180.50	157.00
Apr-2015	185.80	153.20	185.00	152.05

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. SFCL 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. SFCL 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.
c. The Promoters have not disassociated themselves from SFCL during the three years preceding the date of filing the Information Memorandum.

2. Cement Manufacturing Company Limited (CMCL)

Cement Manufacturing Company Limited was incorporated as a public limited company under the name and style of Cements Manufacturing Company Limited on November 2, 2001 under the Companies Act, 1956. It got its certificate for commencement of business on September 19, 2002. On November 10, 2004 the name had been changed to Cement Manufacturing Company Limited and a fresh certificate of incorporation was issued.

The Registered Office of CMCL is situated at Vill. Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya- 793 210.

The company is engaged in the business of manufacturing of Cements. CMCL is the largest cement manufacturer in north east India. Its plant is spread across 40 acres of land in the idyllic town of Lumshnong, a strategic location at Meghalaya that ensures easy availability of high-grade limestone. CMCL sells its product under the brand "Star Cement" that has established itself as the most accredited brand of the region on grounds of both quality and fair pricing.

Corporate Identity Number: U26942ML2001PLC006663

Board of Directors

The Board of Directors of CMCL comprises of:

Name	Status
Mr. Sajjan Bhajanka	Chairman & Managing Director
Mr. Sanjay Agarwal	Managing Director
Mr. Rajendra Chamaria	Vice Chairman & Managing Director
Mr. Brij Bhushan Agarwal	Vice Chairman & Director
Mr. Prem Kumar Bhajanka	Director
Mr. Pankaj Kejriwal	Director
Mrs. Clara Suja	Director
Mr. MangiLal Jain	Independent Director
Mr. Manindra Nath Banerjee	Independent Director

Shareholding Pattern

CMCL is a subsidiary of Star Ferro and Cement Limited. The shareholding pattern of CMCL as on March 31, 2015 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	4,12,83,811	98.48
Public	6,37,581	1.52
Total	**4,19,21,392**	**100.00**

Change in Management

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

Financial Performance

Financial performance of CMCL for the last three years is as follows:

(₹ in lacs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total Income	1,11,408.52	73.675.38	36,200.22
Profit after Tax	4,602.63	(1,569.38)	3,068.55
Equity Capital	4,192.14	4,192.14	4,192.14
Reserves & Surplus (excluding revaluation reserve)	47,376.19	46797.82	49,593.35
Net worth	51,568.33	50,989.96	53,785.49
NAV per share	123.01	121.63	128.30
Earnings per share (EPS) *(Basic)* in ₹	10.98	(3.74)	7.32
Earnings per share (EPS) *(Diluted)* in ₹	10.98	(3.74)	7.32
No. of Equity Shares of ₹10/- each	4,19,21,392	419,21,392	419,21,392

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. CMCL 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. CMCL has made loss in FY2014.
c. CMCL 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 CMCL during the three years preceding the date of filing the Information Memorandum.

3. 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.: Khaliehriat, 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. Rajesh Kumar Agarwal	Director
Mr. Hari Prasad 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, 2015 is as follows:

Particulars	**No. of shares**	**% of Shareholding**
Promoters and Promoters Group	2,73,46,400	100.00
Public	-	-
Total	**273,46,400**	**100.00**

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 is as follows:

(₹ in lacs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total Income	19,799.78	24252.35	32933.03
Profit after Tax	1,910.64	121.80	3876.78
Equity Capital	2,734.64	2734.64	2734.64
Reserves & Surplus (excluding revaluation reserve)	21,137.40	19226.77	19104.96
Net worth	23,872.04	21961.41	21839.60
NAV per share	87.30	80.31	79.86
Earnings per share (EPS) *(Basic)* in ₹	6.99	0.45	14.18
Earnings per share (EPS) *(Diluted)* in ₹	6.99	0.45	14.18
No. of Equity Shares of ₹10/- each	2,73,46,400	273,46,400	273,46,400

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. 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;
b. MTEPL has not made loss in the immediately preceding year.
c. 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.

4. 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.: Khaliehriat, 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. Brij Bhushan Agarwal	Director
Mr. Mangi Lal 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, 2015 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	1,70,95,618	99.80
Public	35,002	0.20
Total	**1,71,30,620**	**100.00**

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 is as follows:

(₹ in lacs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total Income	10,322.76	8,606.48	4,146.76
Profit after Tax	544.66	151.33	54.13
Equity Capital	1,713.06	1,713.06	1,713.06
Reserves & Surplus (excluding revaluation reserve)	8,081.47	7,536.80	7,385.47
Net worth	9,794.53	9,249.86	9,098.53
NAV per share	57.18	54.00	53.11
Earnings per share (EPS) *(Basic)* in ₹	3.18	0.88	0.32
Earnings per share (EPS) *(Diluted)* in ₹	3.18	0.88	0.32
No. of Equity Shares of ₹10/- each	1,71,30,620	171,30,620	1,71,30,620

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.

5. 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:

Name	Status
Mr. Prem Kumar Bhajanka	Managing Director
Mr. Sanjay Agarwal	Director
Mr. Rajendra Chamaria	Director
Mr. Sajjan Bhajanka	Director
Mr. Pankaj Kejriwal	Director
Mr. Brij Bhushan Agarwal	Director
Mr. Mangi Lal Jain	Independent Director
Mr. Santanu Ray	Independent Director
Mr. Ibaridor Katherine War	Director

Shareholding Pattern

The shareholding pattern of SCML as on March 31, 2015 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	2,98,17,818	100.00
Public	-	-
Total	**2,98,17,818**	**100.00**

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 is as follows:

(₹ in lacs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total Income	47,726.44	35,790.33	969.03
Profit after Tax	5,064.58	955.47	(25,53.93)
Equity Capital	2,981.78	2,981.78	2,918.78
Reserves & Surplus (excluding revaluation reserve)	36,235.10	31,170.52	30,215.12
Net worth	39,216.88	34,152.31	33,196.90
NAV per share	131.52	114.54	111.33
Earnings per share (EPS) *(Basic)* in ₹	16.99	3.20	-
Earnings per share (EPS) *(Diluted)* in ₹	16.99	3.20	-
No. of Equity Shares of ₹ 10/- each	2,98,17,818	2,98,17,818	2,98,17,818

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. 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;
b. SCML has made loss in FY2013.
c. 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.
d. The Promoters have not disassociated themselves from SCML 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 SCFL**

  As on the date there are no outstanding litigation matter pending against the Company.

- **Case Pending against Promoter**

  As on the date there are no outstanding litigation matter pending against the Promoter.

- **Case Pending against Director**

  As on the date there are no outstanding litigation matter pending against the Directors.

- **Case Pending against Group Companies**

  As on the date there are no outstanding litigation pending against the Directors of the Company.

- **Material Litigations Involving Group Companies**

1) Cement Manufacturing Company Limited (CMCL):

   i. One case relating to Income Tax matter pending before CIT – Appeal. The amount involved is Rs.968.32 lacs.

   ii. Four cases relating to Excise & Service Tax matter pending before CESTAT/ Commissioner. (Appeals). The amount involved is Rs.306.65lacs (Approx).

   iii. One case relating to royalty on coal is pending before Directorate of Mineral Resources, Meghalaya. The amount involved is Rs.895.18lacs.

2) Megha Technical & Engineers Private Limited (MTEPL):

   i. Two cases relating to Excise Duty matters pending before CESTAT/ Commissioner. The amount involved is Rs.142.72lacs.

   ii. One case relating to Income Tax matter pending before the ITAT. The amount involved is Rs.1376.79lacs.

3) Star Cement Meghalaya Limited (SCML):

   One case relating to royalty on coal is pending before Directorate of Mineral Resources, Meghalaya. The amount involved isRs.1394.37 lacs.

FINANCIAL INDEBTNESS

1. Term Loan					
Name of the- Financial Institution	**Sanctioned Amount (Rs.)**	**Outstanding as on 31-03-2015 (Rs.)**	**Rate of Interest %**	**Repayment Schedule**	**Security**
North Eastern Development Finance Corporation Limited	110,000,000	7,03,98,129	12.75	18 further Quarterly installments	Equitable mortgage of leasehold rights of land and first charge on fixed assets of the company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit.
2. Short Term Loan					
ICICI Bank (Hire Purchase Finance)	21,00,000	14,15,699	10.39	23 further EMI	hypothecation of respective vehicle/asset

4. Cash Credit

Name of the Bank	Sanctioned Amount (Rs.)	Availed as on 31-03-2015 (Rs.)	Rate of Interest %	Security
Oriental Bank of Commerce	300,000,000	24,20,47,054	12.25	First charge on the current assets and second charge on the fixed assets of the company's Ferro Alloy Plant at Byrnihat, Meghalaya.

GOVERNMENT APPROVALS

Our Company was incorporated on April 12, 2011 under the Companies Act, 1956 as a public limited company under the name and style of Shyam Century Ferrous Limited having registered office at 6, Lyons Range, 1st Floor, Kolkata - 700 001 (West Bengal). The certificate of commencement of business was issued to the Company on April 26, 2011.

The Registered Office of the Company shifted from above address to Vill: Lumshnong, Post Office :Khaliehriat, Dist. : East Jaintia Hills, Meghalaya-793 210 vide order of the Ministry of Corporate Affairs dated September 24, 2014 and the Registrar of Companies, Shillong allotted new Corporate Identification No. U27310ML2011PLC008578.

With effect from the Appointed Date i.e. April 1, 2014 and 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 for the operations of the Ferro Alloys Division and/or to which the Star Ferro and Cement Limited is entitled to in relation to the Ferro Alloys Division 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 Ferro Alloys Division 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 the Ferro Alloys Division 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 relation to the Ferro Alloys Division 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 Court of Meghalaya at Shillong, by its order dated March 31, 2015 has approved the Scheme of Arrangement between Star Ferro and Cement Limited, Shyam Century Ferrous Limited and their respective shareholders.

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. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 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 November 18, 2014 approved the Scheme of Arrangement filed by Star Ferro and Cement Limited under clause 24(f) of the Listing Agreement. The NSE has vide its letter dated [●] has given approval for listing of 22,21,72,990 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 November 18, 2014 approved the Scheme of Arrangement filed by Star Ferro and Cement Limited under clause 24(f) of the Listing Agreement. The BSE has vide its letter dated [●] has given approval for listing of 22,21,72,990 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 November 18, 2014.

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 INE979R01011.

The Equity Shares have been allotted to the shareholders on April 28, 2015 and credited to the respective account of the shareholders who were holding shares in SFCL in demat form as on Record Date i.e. April 24, 2015. 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. Star Ferro and Cement 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 Mrs. Rachna Pareek, 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

SHARES

3. Amount of Capital
The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company.

9. Sub-division, consolidation and cancellation of shares
Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, 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 or others. 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.

13. Borrowings
(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share, capital then such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances permit, to the capital paid-up on these shares on that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
(b) Notwithstanding anything contained in the preceding sub-clause, the Company may
(i) by a special resolution; or
(ii) where no such special resolution is passed, if the votes cast (whether
on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person of persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
(c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

23. Buyback of securities by the Company
The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made thereunder, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.

24. Commission may be paid
Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely on conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures

are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

27. Directors, may make calls
The Board may, from time to time and subject to the term on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

38. Company to have lien on shares
The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely 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 and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have fun effect. Any such lien shall extend to all dividends 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 hen, if any, on such shares.

39. 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 an may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

41. If call or instalment not paid notice may be given
If any member fails to pay any call or instalment 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 instalment 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.

42. Form of notice
The notice shall name a day (not being less Than Thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time, and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

43. 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 instalments, 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.

44. Notice of the 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.

52. Instruments of transfer
The Instrument of Transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and the registration thereof

56. Nomination
Every holder of shares in, or Debentures of the Company may at any time nominate, in the manner prescribed wider the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.

Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall-vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to an the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

57. Transmission in the name of the nominee
Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :-
a)to be registered himself as holder of the shares or debentures, as the case may be; or
b)to make such transfer of the shares or debentures, as the case may, be, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debentureholder and the certificate(s) of Shares or Debentures, as the case may be, held by the deceased in the Company.

Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debentureholder, as the case may be.

A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise, any right conferred on a member or Debentureholder in relation to meetings the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

64A(2). Dematerialisation of securities
The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

66A(3). 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, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

66. Power to borrow
The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

68. Issued at discount etc. or with special privileges
Any debentures, debenture-stock, bonds and other securities may be issued at a discount and otherwise debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with sanction of the Company in General Meeting.

159. Division of profits
The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

160. The Company in General Meeting may declare a dividend
The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

161. Dividends only to be paid out of profits
No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

(a) if the Company has not provided for depreciation for any previous financial year
or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.

(b) if the Company has incurred any loss in any previous financial year or years,
the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

162. Interim dividend
The Board may, from time to time, pay to the Members such interim dividend as in their judgment, the position of the Company justifies.

163. Calls in-advance not to carry right to participate in profits
Where capital is paid in advance of calls, such capital may carry interest but shall not hi respect thereof confer a right to dividend or participate in profits.

164. Payment of pro- rata dividend
All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

167. Deduction of money owed to the Company
No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

172. Issue of Bonus Shares
Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to tile credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

VII. 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:

1. Memorandum and Articles of Association of SCFL, 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 2012-13, 2013-14 & 2014-15.
5. Annual Accounts of SFCL for the financial years 2012-13, 2013-14 & 2014-15.
6. Scheme of Arrangement sanctioned by the Hon' able High Court of Meghalaya at Shillong vide its order dated March 31, 2015.
7. Certified copy of the order dated March 31, 2015 sanctioning the Scheme.
8. Notice convening meeting of shareholders to consider scheme of arrangement along with statement under section 393 of the Companies Act, 1956 and other document accompanying the same.
9. Valuation report of Singhi & Co., Chartered Accountants on the share entitlement ratio to be allotted in consideration of the demerger 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 February 23, 2015.
13. Tripartite Agreement between the Company, the RTA and CDSL dated January 15, 2015.
14. BSE letter No. DCS/AMAL/UZ/IP/103/2015-16 dated July 17, 2015 granting in-principle approval for listing.
15. NSE letter No. NSE/LIST/30543 dated June 18, 2015 granting in-principle approval for listing.
16. SEBI letter No. CFD/DIL/NR/SK/OW/19137/2015 dated July 7, 2015granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 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 SHYAM CENTURY FERROUS LIMITED

SAJJAN BHAJANKA
DIRECTOR

Dated: July 22, 2015