



**Century
Plyboards (I) Limited**

6, Lyons Range, Kolkata-700 001, (India)
Phones : +91(33) 3940-3950
Fax : +91(33) 2248 3539
E-mail : kolkata@centuryply.com

SYNOPSIS OF THE SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement between Century Plyboards (India) Limited (CPIL) (Demerged Company), Star Ferro and Cement Limited (SFCL) (Resulting Company) and their respective shareholders, duly approved by the Hon'ble High Court at Calcutta, vide its order dated 17th May, 2013, the ferro alloys and cement division (Demerged Undertaking) has been demerged from Century Plyboards (India) Limited and the same has been transferred to and vested in Star Ferro and Cement Limited with effect from 1st April, 2012, being the Appointed Date fixed in the said Scheme.

The Scheme, though operative from the Appointed Date, has become effective on 28th June, 2013, being the date on which certified copies of the order of the Hon'ble High Court at Calcutta sanctioning the Scheme was filed with the Registrar of Companies, West Bengal by CPIL and SFCL.

Rationale of the Scheme:

- (i) CPIL is a well-established concern carrying on and/or having interests in plywood, laminate and allied products, ferro alloys and cement business directly and/or through its subsidiaries. There has been a considerable scaling up of these businesses.
- (ii) The present day nature and size of the ferro alloys and cement business on the one hand and plywood, laminate and allied products business on the other hand, including geographical footprint of such plywood, laminate and allied products business, are such that the divergent considerations, factors, financials, risks and rewards applicable to the running, growth and development of such businesses are required to be addressed with greater focus at all levels. Such size and divergent nature of the said businesses are also such that they are required to be evaluated and looked at separately.
- (iii) In view, inter alia, of the aforesaid and as part of an overall business reorganisation plan and in order to take the respective businesses to the next level of growth it is necessary to segregate and realign the businesses and interests of CPIL appropriately. In the circumstances it is considered desirable and expedient to reorganise and reconstruct CPIL by demerging the Ferro Alloys and Cement Division of CPIL, including its investments in Cement Manufacturing Company Limited and Meghalaya Power Limited,


A. K. Julasaria
Chief Financial Officer cum Company Secretary



**Century
Plyboards (I) Limited**

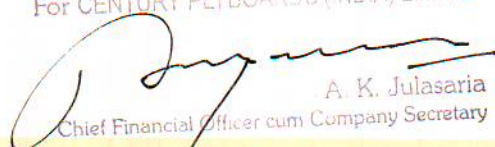
6, Lyons Range, Kolkata-700 001. (India)
Phones : +91(33) 3940-3950
Fax : +91(33) 2248 3539
E-mail : kolkata@centuryply.com

- to SFCL in the manner and on the terms and conditions stated in this Scheme of Arrangement. SFCL is presently a wholly owned (100%) subsidiary of CPIL.
- (iv) The demerger will simplify and rationalise the holding structure of various businesses and interests of CPIL and result in creation of two more focussed entities, i.e. (a) CPIL having interests primarily in the plywood, laminate and allied products business and (b) SFCL having interests primarily in ferro alloys and cement business. Consequent to the demerger, the plywood, laminate and allied products business and ferro alloys and cement business will be capable of independent evaluation. The same will unlock shareholders value and enable independent funding of the said businesses as also suitable strategic, technological and/or financial alliance and participation of appropriate partners and stakeholders in such business.
- (v) The demerger will enable the plywood, laminate and allied products business and ferro alloys and cement business to be held, carried on and monitored by CPIL and SFCL respectively with independent management and administrative set-up and greater focus, attention and specialisation. The Scheme will facilitate the business considerations and factors peculiar to the respective businesses to be addressed more effectively and adequately by the respective Companies.
- (vi) The demerger will enable the said businesses to be carried on more conveniently and advantageously and will unlock the capacity of each of the businesses to raise and access larger funds for running, growth and expansion thereof on the basis of their individual strengths and operating parameters and independent evaluation.
- (vii) The demerger 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.

Upon the Scheme becoming effective:

1. In consideration of the demerger, SFCL shall, without further application, issue and allot to the shareholders of CPIL, 1 (One) Equity Share of Re.1/- each in SFCL, credited as fully paid up for every 1 (One) Equity Share of Re.1/- each held by them in CPIL.

For CENTURY PLYBOARDS (INDIA) LIMITED


A. K. Julasaria
Chief Financial Officer cum Company Secretary

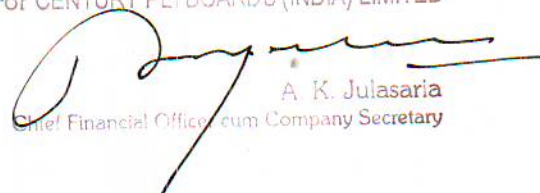


**Century
Plyboards (I) Limited**

6, Lyons Range, Kolkata-700 001. (India)
Phones : +91(33) 3940-3950
Fax : +91(33) 2248 3539
E-mail : kolkata@centuryply.com

2. All the Equity Shares to be issued and allotted by SFCL to the Equity Shareholders of CPIL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of SFCL. Further such Equity Shares shall pursuant to circular issued by the Securities Exchange Board of India (SEBI) on 3 September 2009 bearing No.SEBI/CFD/SCRR/01/2009/03/09 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 CPIL are listed and/or admitted to trading.
3. In respect of the shareholding of the members in CPIL held in the dematerialised form, the Equity Shares in SFCL 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 CPIL entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date.
4. In respect of the shareholding of the members in CPIL held in the certificate form, the Equity Shares in SFCL shall be issued to such members in certificate form.
5. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
6. Shares in SFCL shall be allotted to the shareholders of CPIL as on the Record Date and existing capital of SFCL held by CPIL shall stand cancelled as provided in this Scheme. There shall be no change in the shareholding pattern or control in SFCL between the Record Date and listing which may affect the status of approval of the stock exchanges to this Scheme.
7. All existing shares held by CPIL and its nominees in SFCL, 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 SFCL to the shareholders of CPIL as on the Record Date in terms of clause 10.1 of this Scheme and until such cancellation shall continue to be held by the said shareholders.

For CENTURY PLYBOARDS (INDIA) LIMITED


A. K. Julasaria
Chief Financial Officer cum Company Secretary