

STAR FERRO AND CEMENT LTD.

6 Lyons Range,
Kolkata - 700 001

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Annual Report and the audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
A. Total Income	20,432	-
B. Total Expenditure	23,349	7,074
C. Profit Before Taxation (A-B)	(2,917)	(7,074)
D. Provision for Taxation (including Deferred Tax)	-	-
E. Balance c/f to next Year	(2,917)	(7,074)

REVIEW OF OPERATIONS

Your directors are hopeful that the performance of the Company will improve in the coming year.

FUTURE OUTLOOK

The general business conditions affecting business are expected to remain stable and company is expected to perform well

DIVIDEND

With a view to create long term pool of resources, no dividend is recommended for the year.

DEPOSITS

Your Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules framed thereunder.

AUDITORS AND AUDITORS' REPORT

Auditors' Report contains no remark requiring explanation.

M/s Kailash B. Goel & Co, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Accordingly the Board recommends their re-appointment.

DIRECTORS

In accordance with Articles of Association of the Company, Sri Sanjay Agarwal retires by rotation, and being eligible, offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Particulars of Employees

The Company did not have any employee during the financial year, hence disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1973 is not applicable

Conservation of Energy & Technology Absorption:

The company has no activity relating to conservation of energy or technology absorption, details of which are required to be furnished in this report as per the provision of Section 217(1)(e) of the Companies Act, 1956

Foreign Exchange Earning & Outgo

There were no foreign exchange earning and outgo during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- 1 In the Preparation of the Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2 The Directors had adopted such accounting policies and applied them consistently and made judgements and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2012 and of the profit of the Company for that year.
- 3 The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other
- 4 The Annual accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors take this opportunity to appreciate contributions made by the Company's bankers, shareholders and business associates for their respective services and patronage.

For and on Behalf of the Board

6 Lyons Range,
Kolkata - 700 001
Date: 20th April, 2012

(Sajjan Bhajanka)
Director

(Sanjay Agarwal)
Director

STAR FERRO AND CEMENT LTD.

1 Corporate Information

Star Ferro and Cement Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Commercial operations of the company is yet to commence.

2 SIGNIFICANT ACCOUNTING POLICIES

a Accounting Concepts:

The financial statements are prepared under the historical cost convention on accrual & going concern basis and in accordance with the applicable mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006

b Revenue Recognition

Income and expenditure are recognized on accrual basis. Interest income is recognized on time proportionate basis. Where quantum of accruals can not be ascertained with reasonable certainty, they are accounted for on acceptance basis

c Fixed Assets:

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation/amortisation and impairment loss, if any. Cost comprises the purchase price, installation and attributable cost of bringing the asset to its working condition for its intended use.

d Intangible Assets

Intangible Assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The amortisable amount of an intangible asset is allocated over its estimated useful life.

e Depreciation:

Depreciation on Fixed Assets is charged on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Leasehold assets are amortized on the basis of their useful life or remaining lease period, whichever is lower.

f Investments:

Current Investments are stated at lower of cost and market/fair value. Long-term investments are stated at cost after deducting provision made for permanent diminution in value.

g Taxes on Income:

Provision for current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of The Income Tax Act, 1961

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year, and quantified using the tax rates and laws substantially enacted on the Balance Sheet Date. The resulting deferred tax liability, if any is provided in the accounts but resultant deferred tax assets is recognized only if there is virtual certainty of realization of such amount and otherwise not provided in the accounts. Such assets are reviewed at each Balance Sheet Date to reassess their realization.

h Provision and Contingent Liabilities:

Provisions for contingencies are recognized in respect of present obligation arising out of past events where there are reliable estimate of probable outflows of resource. Contingent liabilities are the possible obligation of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

i Impairment:

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

STAR FERRO AND CEMENT LTD.**Cash flow statement for the year ended 31 March 2012**

	31st March, 2012	31st March, 2011
	Rs.	Rs.
Cash flow from operating activities		
Profit/(Loss) before tax from continuing operations	(2,917)	(7,074)
Profit/(Loss) before tax	(2,917)	(7,074)
Operating profit/(Loss) before working capital changes	(2,917)	(7,074)
Movements in working capital :		
Increase/ (decrease) in other current liabilities	(31,005)	36,623
Decrease / (increase) in short-term loans and advances	(2,043)	
Cash generated from /(used in) operations	(35,965)	29,549
Net cash flow from/ (used in) operating activities	(35,965)	29,549
Cash flow from financing activities		
Issue of Share Capital	-	500,000
Preliminary Expenses	-	(29,549)
Net Cash flow from financing activities	-	470,451
Net increase/(decrease) in cash and cash equivalents	(35,965)	500,000
Cash and cash equivalents at the beginning of the year	500,000	
Cash and cash equivalents at the end of the year	464,035	500,000
Components of cash and cash equivalents		
Cash on hand	6,396	-
With banks- on current account	39,250	-
- on deposit account	418,389	-
Total cash and cash equivalents	464,035	-

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****Date: 20th April, 2012***For and on Behalf of the Board*

(Sajjan Bhajanka) (Sanjay Agarwal)
Director Director

STAR FERRO AND CEMENT LTD.
6 Lyons Range,
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Balance Sheet as at 31st March, 2012

Particulars	Note No.	31st March, 2012 Rs.	31st March, 2011 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	500,000	500,000
(b) Reserves and Surplus	4	(9,991)	(7,074)
(2) Current Liabilities			
(a) Other current liabilities	5	5,618	36,623
Total		495,627	529,549
II. Assets			
(1) Current assets			
(a) Cash and cash equivalents	6	464,035	500,000
(b) Short-term loans and advances	7	2,043	-
(c) Other current assets	8	29,549	29,549
Total		495,627	529,549

The accompanying notes are an integral part of the financial statements

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

For and on Behalf of the Board

(Sajjan Bhajanka)
Director

(Sanjay Agarwal)
Director

CA Arun Kumar Sharma
Partner
 Membership No. 57329
Date: 20th April, 2012

STAR FERRO AND CEMENT LTD.
6 Lyons Range,
Kolkata - 700 001
Statement of Profit and Loss for the year ended 31st March, 2012

	Particulars	Note No.	31st March, 2012 Rs.	31st March, 2011 Rs.
I.	Other Income	9	20,432	-
II	Total Revenue		20,432	-
III	<u>Expenses:</u>			
	Other expenses	10	23,349	7,074
	Total Expenses		23,349	7,074
IV	Profit before exceptional and extraordinary items and tax (III - IV)		(2,917)	(7,074)
V	Profit before extraordinary items and tax (V - VI)		(2,917)	(7,074)
VI	Profit before tax (VII - VIII)		(2,917)	(7,074)
VII	Profit/(Loss) from the period from continuing operations (VII - VIII)		(2,917)	(7,074)
VIII	Profit/(Loss) for the period (XI + XIV)		(2,917)	(7,074)
IX	Earning per equity share:			
	(1) Basic		(0.06)	(0.14)
	(2) Diluted		(0.06)	(0.14)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kailash B. Goel & Co.

Firm Registration No. 322460E

For and on Behalf of the Board

(Sajjan Bhajanka)
Director

(Sanjay Agarwal)
Director

CA Arun Kumar Sharma

Partner

Membership No. 57329

Date: 20th April, 2012

STAR FERRO AND CEMENT LTD.

Note No.		31st March, 2012 Rs.	31st March, 2011 Rs.
3	Share Capital		
	Equity Share Capital		
	Authorised Share capital		
	1000000 (PY 1000000) Equity Shares of Re. 1/- each	1,000,000	1,000,000
		1,000,000	1,000,000
	Issued, subscribed & fully paid share capital		
	500000(PY 500000) Equity Shares of Re. 1/- each	500,000	500,000
		500,000	500,000
a)	Reconciliation of number of shares outstanding		
	Equity Shares of Re. 1/- each	No. of shares	No. of shares
	At the Beginning of the period	500,000	-
	Issued during the period	-	500,000
	Outstanding at the end of the period	500,000	500,000
b)	Terms/Rights attached to the Equity Shares		
	The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. 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	No. of shares (%)	No. of shares (%)
	Century Plyboards (India) Ltd.	500000(100%)	500000(100%)
4	Reserves and Surplus		
	Surplus/(Deficit) in the statement of Profit and Loss		
	Balance as per last Financial Statements	(7,074)	-
	Profit /(Loss) for the year	(2,917)	(7,074)
	Net Surplus in the Statement of Profit and Loss	(9,991)	(7,074)
	Total	(9,991)	(7,074)

Note No.		31st March, 2012 Rs.	31st March, 2011 Rs.
5	Other current liabilities		
	Other Liabilities:		
	Liabilities for expenses	5,618	36,623
	Total	5,618	36,623

6	Cash and cash equivalents		
	Balances with banks	39,250	-
	Fixed Deposit (Including Accrued interest)	418,389	-
	Cash on hand	6,396	500,000
	Total	464,035	500,000

7	Short term loans and advances		
	Advance Income Tax (Net of Provisions)	2,043	-
	Total	2,043	-

8	Other current assets		
	Preliminary Expenses (to the extent not written off)	29,549	29,549
	Total	29,549	29,549

9	Other Income		
	Interest on Fixed Deposit	20,432	-
	Total	20,432	-

10	Other Expenses		
	Professional Charges	7,412	1,500
	Printing & Stationeries	8,164	480
	Filing Fees	1,500	-
	Bank Charges	110	-
	Auditor's Remuneration-		
	- Audit Fee	5,618	5,000
	Miscellaneous Expenses	545	94
	Total	23,349	7,074

11 OTHER NOTES ON ACCOUNTS

- a In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- b As there were no employees in the company, provision for retirement benefit is not required.
- c Deferred Tax Asset has not been recognized since there is no virtual certainty of its realization.
- d Earning in Foreign Currency - Nil (Previous Year- Nil)
Expenditure in Foreign Currency – Nil (Previous Year-Nil)
- e The figures have been rounded off the nearest rupee.
- f Previous Year Figures – Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under Companies Act, 1956 has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification.

Signature to Notes '1' to '11' forming part of the Balance Sheet and Statement of Profit & Loss

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

For and on Behalf of the Board

(Sajjan Bhajanka)	(Sanjay Agarwal)
Director	Director

CA Arun Kumar Sharma
Partner
Membership No. 57329
Date: 20th April, 2012