

**STAR CEMENT LIMITED**  
(Formerly CEMENT MANUFACTURING COMPANY LTD)

Date: - 06<sup>th</sup> September, 2021

The Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G  
Bandra Kurla Complex, Bandra-East  
Mumbai-400051  
Stock code: STARCEMENT

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001  
Stock code: 540575

Dear Sir(s),

**Sub: Annual Report, Accounts together with Notice of the 20<sup>th</sup> Annual General Meeting ('AGM') of the Company for the Financial Year 2020-21 in terms of requirements of Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('LODR Regulations')**

Pursuant to Regulation 30 & 34 of the LODR Regulations, we enclose herewith a copy of the Annual Report, Accounts together with the Notice of 20<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Thursday, 30<sup>th</sup> September, 2021 at 11:30 A.M. (IST) through Video Conferencing ("VC") and Other Audio Visual Means ("OAVM").

The copy of the Annual Report, Accounts together with Notice of 20<sup>th</sup> Annual General Meeting are available on the following link:

[https://starcement.co.in/wp-content/uploads/Star-Cement-Limited\\_Annual-Report\\_2020-21.pdf](https://starcement.co.in/wp-content/uploads/Star-Cement-Limited_Annual-Report_2020-21.pdf)

This is for your information and record.

Thanking you,  
For Star Cement Limited

06-09-2021

X

Debabrata Thakurta  
Company Secretary  
Signed by: THAKURTA DEBABRATA

**Debabrata Thakurta**  
**(Company Secretary)**  
Encl: as above



**STAR CEMENT**  
**Solid Setting**

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**Siliguri Office :** MLA House, 3<sup>rd</sup> Floor, above Reliance Trend Showroom, Sevok Road, Siliguri - 734 001, Ph: 0353-2643611/12

**AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY**

CIN NO. L26942ML2001PLC006663

# Progress Through **CONCRETE ACTIONS**



**STAR CEMENT LIMITED**

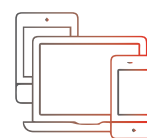
**ANNUAL REPORT 2020-21**

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### Investor Information

Market Capitalisation as on 31st March, 2021	₹ 39.90 Bn in NSE
CIN	L26942ML2001PLC006663
BSE Code	540575
NSE Code	STARCEMENT
AGM Date	30.09.2021
AGM Mode	Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')



**Please find this Report online at:**

**<https://starcement.co.in/annual-report>**

**Or simply scan to download our previous year's Annual Report**



**DISCLAIMER :** This document contains statements about expected future events and financials of Star Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# PROGRESS THROUGH CONCRETE ACTIONS

A strong foundation is like roots and wings, and both are essentially important to keep progressing. It prepares us to face the uncertain while giving us the confidence to hold our ground as we advance.

At Star Cement Limited, our foundation is the framework that our business is built on. We look at challenges as possibilities to advance, and a firm footing gives us the agility to do it with ease. Last year, even amid a turbulent time, we clocked in stable performance because we progressed through concrete actions. Our solid base, quick decision making, strong reserves and liquidity, a renowned brand name and wide network together helped us navigate the stormy seas.

As one of the largest cement manufacturers in the North-Eastern region and an emerging player in Eastern India, we enjoy adequate capacities to cater to growth targets over the medium to long term. This prepares us to serve the high potential market for future growth. We are responding to the opportunities we foresee as we Progress by enhancing our manufacturing facility and taking calculated steps. Star Cement has a concrete plan for progress, and in this direction, we have taken a lot of initiatives, which include:

#### **OPENING A NEW GRINDING UNIT IN SILIGURI**

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#### **STRENGTHENING BRAND RECALL THROUGH VALUE-ENHANCING PROMOTIONS**

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#### **TO SET UP CAPACITIES TO CATER TO INCREMENTAL DEMANDS OF THE REGION**

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#### **EXPANDING TECHNICAL SERVICES TO ENHANCE CUSTOMER SERVICE AND BRAND BUILDING**

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Moreover, with value-added segments and a variety of products, Star Cement is in a good position to progress further. With our firm foundation backed with 15 years' experience in the industry and innovative marketing strategies, today, we are one of the trusted names in cement manufacturing in Eastern India, and this is just the beginning!



# A CONCRETE HISTORY

## STAR CEMENT AT A GLANCE

Star Cement Limited ('Star Cement' or 'We' or 'the Company'), incorporated in 2001, is one of the prominent Indian cement companies today with East India operations. We are the largest cement manufacturers in the North-Eastern region of India and an emerging player in the states of West Bengal and Bihar. With our plant spread across 200 hectares of land in the idyllic town of Lumshnong, we are strategically located in Meghalaya to ensure the easy availability of high-grade limestone.

Our brand, 'Star Cement', is one of the most accredited brands in the region known for its premium quality and fair pricing. We have integrated our commitment of quality and fair pricing across all aspects of our operations through the years. As a result, we are now one of the fastest-growing companies in the cement industry in Eastern region.

### OUR FACILITIES AND PRODUCTS

STAR CEMENT AND ITS SUBSIDIARIES HAVE FOUR MANUFACTURING UNITS IN MEGHALAYA, ONE EACH IN ASSAM AND WEST BENGAL. OUR EXTENSIVE PRODUCT PORTFOLIO COMPRISES:

ORDINARY  
PORTLAND CEMENT  
(OPC)

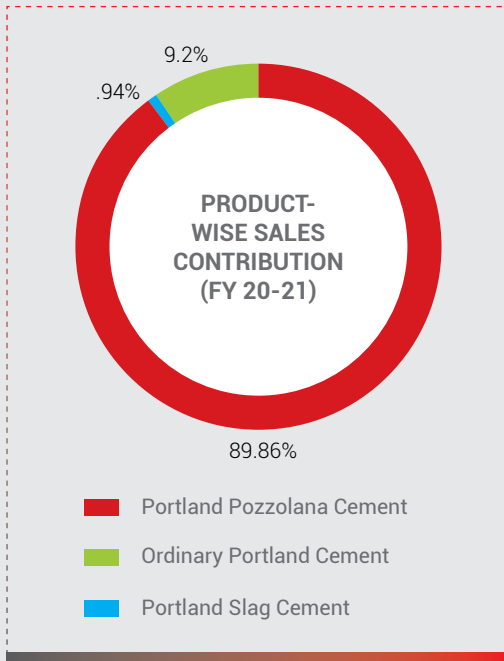
PORTLAND  
POZZOLANA CEMENT  
(PPC)

PORTLAND SLAG  
CEMENT (PSC)

ANTI RUST  
CEMENT (ARC)



We foster a culture that encourages continuous development, innovation, and collaboration, leading to overall operational excellence. We are also dedicated to our commitment to sustainability and inclusive growth. Consistent emphasis on sustainable business practices, with greater use of technologically advanced processes, has enabled us to grow stakeholder value with a long-term focus and a relationships-first approach.



**2.8** MMTPA  
AGGREGATE  
CLINKER CAPACITY

**5.7** MMTPA  
TOTAL CEMENT  
PRODUCTION CAPACITY

**10**  
STATES PRESENT

**6**  
MANUFACTURING  
UNITS

**>12,000**  
RETAILER NETWORK



## VISION

- To become the fastest growing and the most competitive cement company in eastern India
- To be respected for high level of integrity and value
- To achieve 10 Mn metric tonnes capacity by 2026



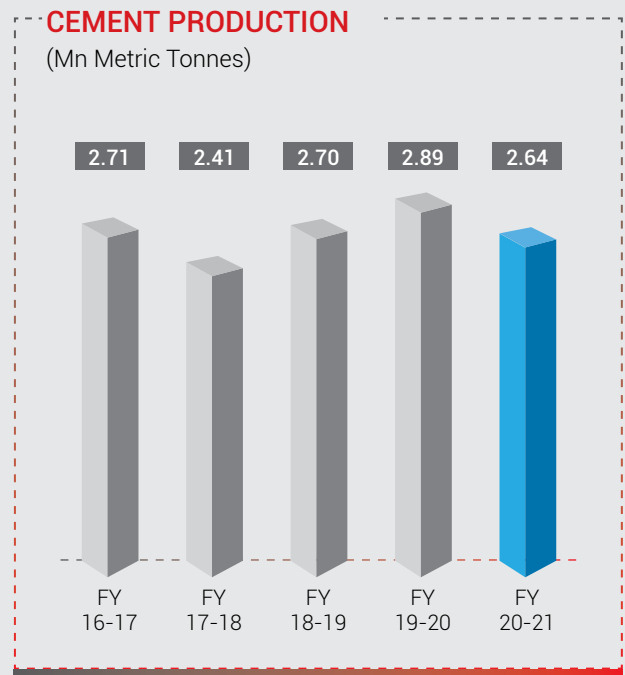
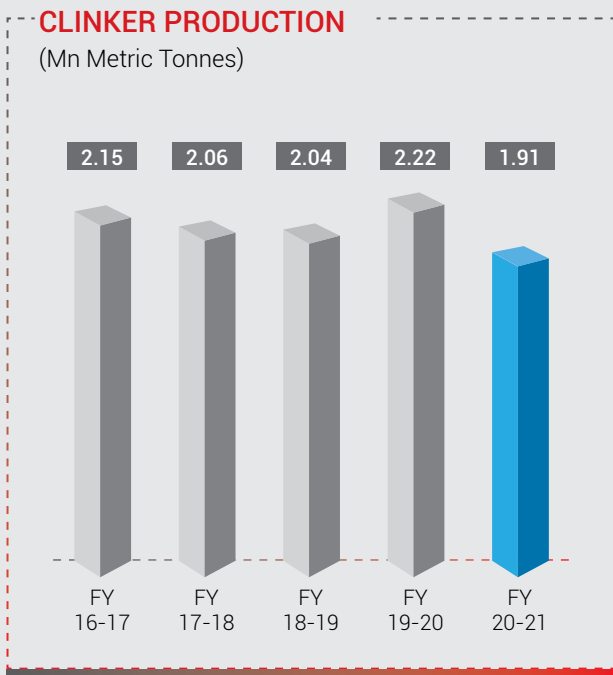
## MISSION

- To provide utmost satisfaction to the consumer through best quality and customer care
- To continuously upgrade the product through innovations and convergence of new technology and to produce the best quality at the lowest cost
- To safeguard and enhance shareholder value
- To respect the dignity of all employees and together to become instrumental in the development of the country while protecting the environment
- To utilise the surpluses for the welfare of employees and the society at large

# ROBUST MANUFACTURING FACILITY

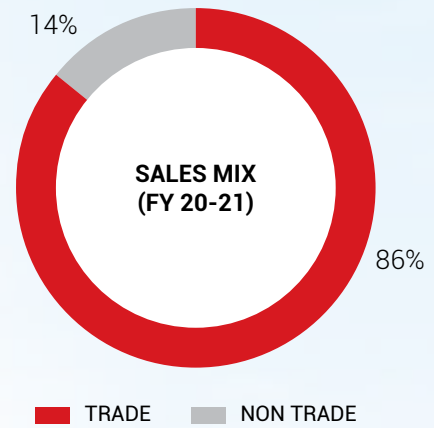
WE CURRENTLY OPERATE WITH A TOTAL CAPACITY OF 5.7 MN METRIC TONNES ACROSS OUR FOUR MANUFACTURING UNITS IN MEGHALAYA, ONE IN ASSAM, AND ONE IN WEST BENGAL – MAKING US THE EMERGING PLAYER IN CEMENT PRODUCTION IN THESE REGIONS.

With increased cement demand in India, we are also looking forward to developing CAPEX projects. We intend to boost cement capacities in the country's attractive and highly profitable North-Eastern and Central regions. This will help us ensure sufficient capacity to meet the expanding demand. We built a new facility at our Siliguri unit this year to meet the growing demand in West Bengal and Bihar. Our production capacity has risen by 2 Mn Metric Tonnes Per Annum (MMTPA).





With Mr. Akshay Kumar as our brand ambassador coupled with a broad dealer network and a significant proportion of trade sales, we witnessed increased utilisation and revenues.

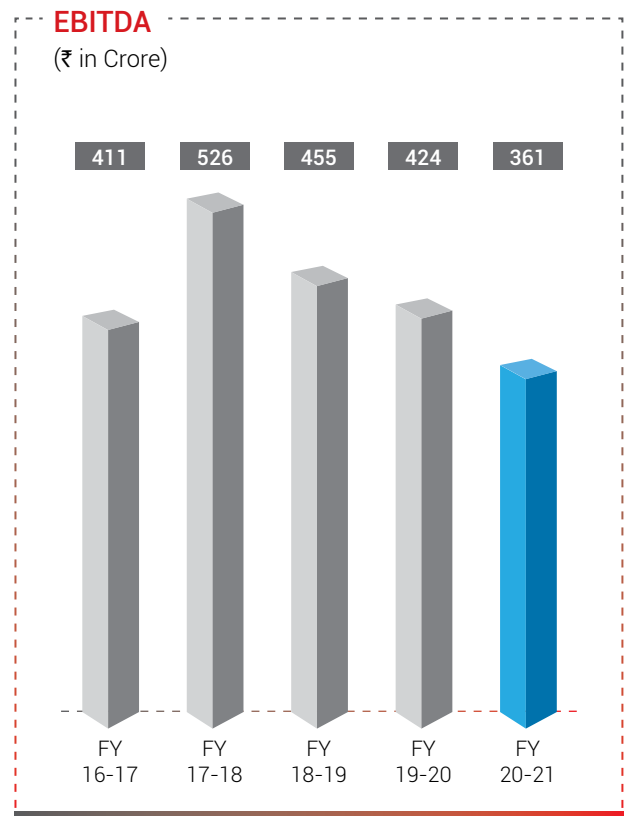
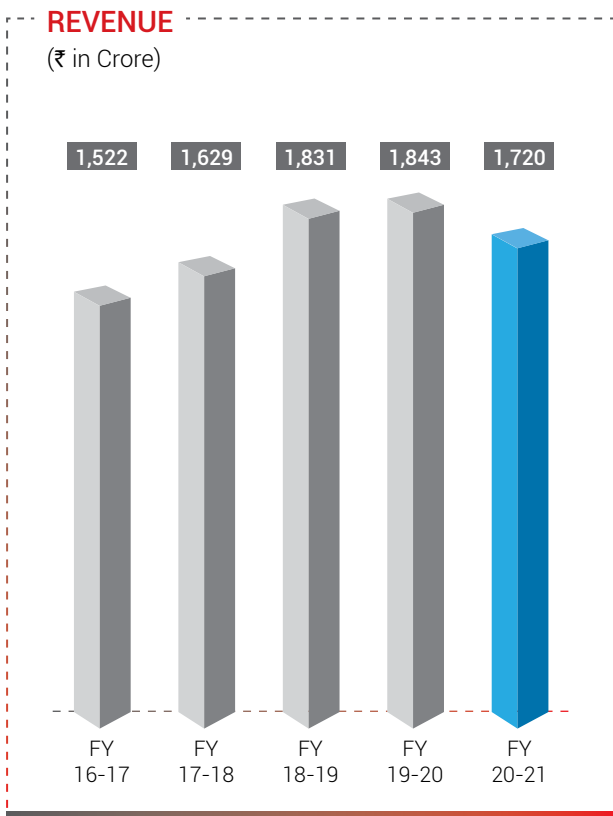




# PROGRESSING THROUGH THE DETERMINATION TO DELIVER

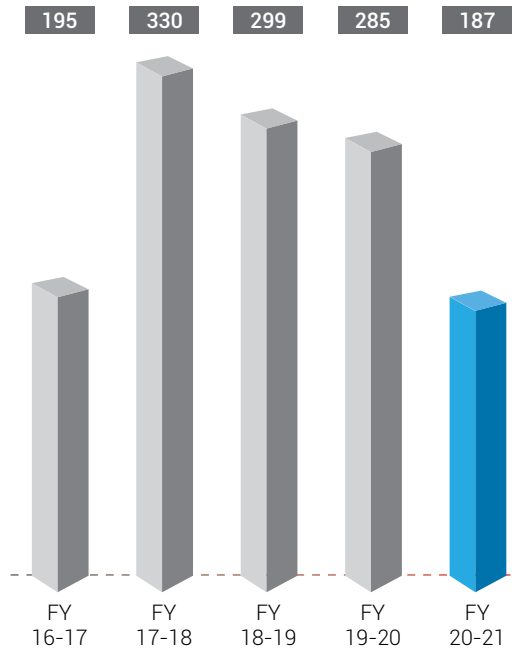
Last year was challenging in more ways than one. The pandemic made the business environment tough to operate and the bridge collapse en route to our factory in the North-Eastern region further hampered our logistical capabilities and we missed our year-end target. However, we maintain our topline from the previous year while also achieving an EBITDA margin of 20.98% for the year. Our consolidated revenue for the FY 20-21 stood at 1,720 Crore, a 6.7% marginal decrease from the previous year.

Our Q1 FY 20-21 revenue sustained a decline due to the pandemic and resultant lockdown. However, this was followed by a solid rebound in our revenues, with a 38% increase in Q2 of FY 20-21 over Q1 of FY 20-21. The topline grew at a slower pace in the final two quarters, and we missed our year-end target due to a bridge collapse en route to our factory. In an optimum situation with no logistical issue and external turbulent situation, we are well-cushioned to produce and deliver higher volumes of cement and clinker during FY 20-21. Furthermore, we also made a transition from being leveraged to almost debt-free.



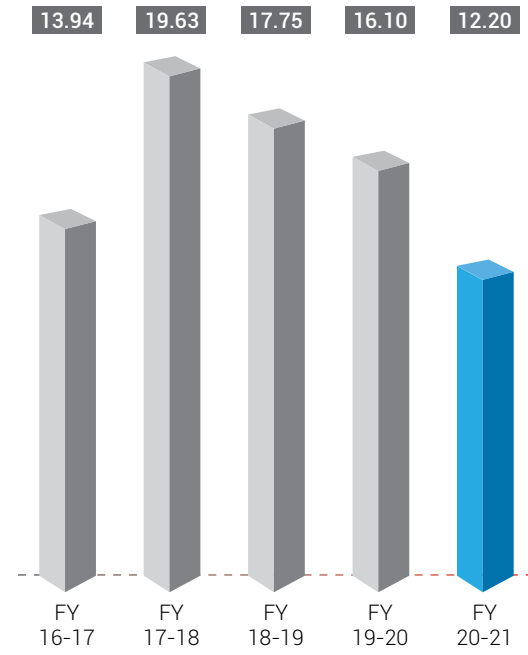
**NET PROFIT**

(₹ in Crore)



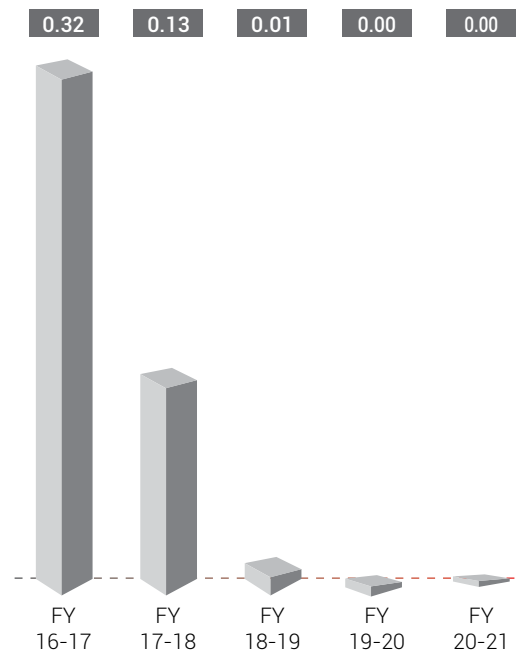
**ROCE**

(%)



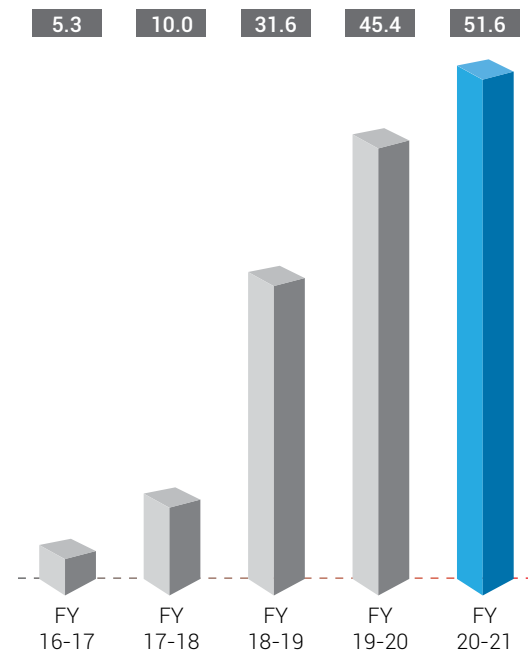
**DEBT EQUITY RATIO**

(x)



**INTEREST COVER**

(x)



# CHAIRMAN'S MESSAGE



**Dear Shareholders,**

I HOPE YOU AND YOUR LOVED ONES ARE SAFE AND HEALTHY DURING THESE TRYING TIMES. I AM GRATEFUL TO OUR EMPLOYEES AND LEADERSHIP TEAM FOR BEING SO COMMITTED IN THE FACE OF NUMEROUS DIFFICULT SITUATIONS DURING THE LAST YEAR. WE CONCENTRATED ON ASSISTING THE AUTHORITIES IN SAVING LIVES WHILE ALSO SAFEGUARDING THE HEALTH AND SAFETY OF OUR PERSONNEL AND THE COMMUNITIES IN WHICH WE OPERATE. WE ARE HONOURED TO HAVE CONTRIBUTED TO THE FIGHT AGAINST COVID-19.

### **The Macroeconomic Landscape**

Notwithstanding challenges, India aspires to become a 5 Trillion-dollar economy in the next few years. However, FY 20-21 started volatile with declining GDP, rising unemployment and increasing inflation. Furthermore, the COVID-19 outbreak prompted a rigorous lockdown, halting our economic activities, causing India's economy to contract by 23.9% in Q3 FY 20-21.

To help the Indian economy recover, the Government placed numerous stimulus packages, including a ₹ 20 Lakhs Crore package as part of the Atmanirbhar Bharat campaign to make India self-reliant.

With the help of this stimulus package and phased unlocking, there was a revival in the economic activity. The reduction in COVID-19 cases and increased demand during the festival season further aided the economic recovery. Demand continued in the fourth quarter with a GDP growth of 1.6% in Q4 FY 20-21. With the rollout of multiple vaccines and a large-scale vaccination drive, we are witnessing an overhaul in business activities across sectors.

### **Industrial Overview**

Throughout FY 20-21, the Indian economy has been unpredictable, with a cascading effect on the cement business. The Indian cement industry is a crucial contributor to

the Indian economy; it is the world's second-largest cement manufacturer, accounting for more than 7% of global installed capacity.

The Indian cement industry had a sluggish start to the year, owing to the lockdown imposed to contain the spread of COVID-19 and the subsequent migration of labour to native areas, resulting in a 50% reduction in construction activities and a drop in cement demand. Domestic manufacturers' capacity utilisation was approximately 45% during H1-FY 20-21 due to units working at sub-par capacities and staggered shifts. With the gradual resumption of economic activities, overall demand witnessed a sharp revival led by rural demand. The rural economy was relatively less impacted by the pandemic, especially in the Northern and Eastern regions.

The unlocking in the second half also aided the construction sector in resuming operations, increasing demand and consumption of cement and a rise in the demand for real estate space. Higher Government spending also contributed to demand recovery in the infrastructure segment. However, on a Y-o-Y basis, production declined by 12% in FY 20-21.

With the economy reviving, sectors recovering to pre-pandemic levels and a significant push by the Government towards housing and infrastructure development, we are anticipating to witness growth in cement demand going ahead. The rating agencies expect the overall cement production to expand in the range of 4 to 7% in FY 21-22.

## The Year under Review

Despite the headwinds, Star Cement stood strong, showing resilience against the impacts of the pandemic and the logistical issues in the North-Eastern region. We had a slow start with the plants being shut in April. However, with the resumption of production in May, the demand has started to pick up significantly. During the slow period, the Company concentrated on cost optimisation, which substantially reduced fixed costs.

We faced some concerns regarding COVID-19 and lockdown in the first quarter of the financial year, but we made a strong comeback in the second quarter. However, the bridge collapse en route to near our plant in the North-East during the year caused major logistics issues, resulting in a marginal contraction in our annual sales. Despite the challenges, we produced 2.64 Mn metric tonnes of cement in FY 20-21. Total revenue for the year stood at ₹ 1,720 Crore, with an EBITDA of ₹ 361 Crore and EBITDA margin of 20.98%. Profit for the year stood at ₹ 187 Crore with a margin of 10.88%. The pandemic has posed a challenging scenario, and to combat it, we have maintained a robust cash position, giving us the stability to remain strong.

We started our Siliguri grinding unit this year. The entire project was funded through our internal accruals. The plant started commercial production on 16<sup>th</sup> January, 2021, honourable Chief Minister of West Bengal, Ms. Mamata Banerjee, formally inaugurated it on 1<sup>st</sup> February, 2021. This plant has

increased our manufacturing capacity by 2 Mn metric tonnes per annum (MMTPA). During the year, we also hired Mr. Akshay Kumar as our brand ambassador. Moreover, various marketing strategies were also undertaken by the Company during the year under review to increase the visibility of the brand 'Star Cement' and achieve top-of-mind recall.



## Taking Care of our People

Our people are our most valuable asset, and it is imperative that we take care of our employees during such times of crisis. Our efforts towards the health, safety and career progression of our employees testify to the true character of our organisation. The health and well-being of our employees was given top priority. We helped not only our permanent staff but also our contractual workers through the pandemic. During the lockdown, we provided them with rations and paid them in full. We ensured regular sanitisation at our workplace and strictly followed all other COVID-19 protocols as per the Government's mandate. Our people were provided with all COVID-19 essential gear, and we also spread awareness about the pandemic. We ensured social distancing and switched to work from home for everyone's safety. Additionally, we covered all medical expenditures for our people infected with the virus and also organised vaccination camps for all our employees.

## Vote for Thanks

On behalf of the Board, we extend our gratitude to Star Cement management and employees across the country for their commitment, fortitude, and hard work. We thank all our stakeholders for their continued support. Their support and engagement over the past year has enabled Star Cement Limited to emerge stronger and resilient to the pandemic.

Warm regards,  
**Sajjan Bhajanka**  
Chairman

 THIS PAST YEAR PRESENTED US WITH SEVERAL CHALLENGES AND NUMEROUS OPPORTUNITIES. AND I AM PLEASED TO STATE THAT STAR CEMENT ENDURED IN THE FACE OF ADVERSITY BACKED BY OUR LEADERSHIP, EMPLOYEES, AND STAKEHOLDERS WHO EFFECTIVELY COLLABORATED TO ASSURE OUR RESILIENCE. 

# PROGRESSING THROUGH CONCRETE VALUE CREATION

## OUR POOL OF RESOURCES



### FINANCIAL CAPITAL

The Company's Pool of Funds

Net Worth **₹ 2,074 Crore**

Long Term Debt **₹ 0.74 Crore**

Capital Employed **₹ 2,225 Crore**



### MANUFACTURING CAPITAL

All the Tangible Assets for Conducting Operations and Business Activities

Largest Manufacturer of Cement in North-Eastern India

No. of Manufacturing Units **6**

Installed Capacity **5.7 MMTPA**



### HUMAN CAPITAL

The Company's Diverse Set of Skilled People with Specialisation and Experience

No. of Employees **1,831**

Providing Various Training and Skill Development Programme



### INTELLECTUAL CAPITAL

Brands, Technologies, and Processes

Total R&D Expenditure **₹ 0.45 Crore**



### SOCIAL AND RELATIONSHIP CAPITAL

The Key Relationships the Group Maintains with its Key Business Stakeholders

Amount Spent for CSR Activity **₹ 8.28 Crore**

Donated to the PM & CM Relief **₹ 2.5 Crore**

Fund for COVID-19



### NATURAL CAPITAL

Consumption of Resources in a Sustainable Way to Provide Services

Execution of Waste Heat Recovery System (Whrs) is in Process and will be Commissioned in Coming Years

Water Recycled/Reused in Cement Operations **433 KL/day**

Total Expenditure for Environment Protection **₹ 4 Crore**

## BUSINESS MODEL





## OUR PRODUCTS



ORDINARY PORTLAND CEMENT



PORTLAND POZZOLANA CEMENT



PORTLAND SLAG CEMENT



ANTI RUST CEMENT

## OUR OUTPUT

### FINANCIAL CAPITAL

Operating Revenue	₹ 1,720 Crore
Profit after Tax	₹ 187 Crore
Return on Capital Employed	12.2%
Earnings per Share	₹ 4.54

### MANUFACTURING CAPITAL

Cement Produced	2.64 MMT
Cement Capacity Utilisation	58.02 %
Clinker Produced	1.91 MMT
Power Generated	1,28,771 MWH

### HUMAN CAPITAL

Person-Hours Employee	145.6
Training Provided	
No. of Employees Trained	69

### INTELLECTUAL CAPITAL

Total Products	3
Share of Premium Products	4%

### SOCIAL AND RELATIONSHIP CAPITAL

Lives Benefited	2,48,080
No. of Grievances Resolved	648

### NATURAL CAPITAL

Total Green Energy Certificate Purchased	1,150 MWH
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# PROGRESSING THROUGH COMPETITIVE ADVANTAGE

## HIGHEST MARKET SHARE IN NORTH-EASTERN REGION (NER)

With a manufacturing capacity of 5.7 Mn metric tonnes, we have established ourselves as a significant participant in the North-Eastern region. Our ~ 23% market share in the region confirms our dominance there. Alongside, we are also one of the emerging players in West Bengal and Bihar. With our current capacity growth in Siliguri, West Bengal, we are also strengthening our presence in the Eastern area.

## LOGISTICAL EDGE

Proximity to raw materials helps decrease logistical expenses, which is a key component of overall manufacturing costs. At Star Cement, we have access to limestone mines within 2-3 kilometres of our plants, ensuring a robust raw material link, convenient accessibility, and consistent raw material supply. When compared to peers, our strategically positioned operations serve the Eastern and North-Eastern regions, assisting us in cost optimisation and rationalisation.

## STABLE LIQUIDITY POSITION

We enjoy a sturdy cash reserve of approximately ₹ 513 Crore. This gives us sufficient liquidity to weather any storm. Due to the outbreak of COVID-19, it became vital to maintain adequate funds to remain resilient. The resultant increase in liquidity can be advantageous by enabling us to make short-term investments. Better liquidity also allows us to pay creditors on time, which has improved our relationship with them, and enhanced their faith in us. Our strong operating efficiency is reflected in our higher liquidity. It aids in our investment goals as we don't have to rely on a loan or to increase our debt to improve our production facility.



### DEBT FREE COMPANY

Over the years, we have maintained a lower debt with a debt-to-equity ratio of ~0.00036. This not only helps us save on interest payments but also increases profitability. Therefore, enhancing the value we create for our shareholders by delivering a higher return. Being a lower debt Company further opens avenues for expansion through cash reserves or debt.

### WELL-ESTABLISHED DEALER-DISTRIBUTOR NETWORK

Star Cement has created a robust dealer and distributor network over the years. Our distribution network spans 10 states, with more than 2,100 dealers and 12,000 retailers. Our extensive network assists us in expanding revenues and penetrating newer geographies. Thereby, enabling us to maintain a leadership position in the industry.

### INNOVATIVE MARKETING STRATEGIES

We are constantly innovating out-of-the-box marketing strategies to build the highest customer recall and positive brand perception. To promote a positive brand image and a higher recall, we have hired the renowned Bollywood actor, Akshay Kumar, as our brand ambassador. We also advertise through local television, traditional billboard/hoarding advertisements for better brand awareness.



# PROGRESSING WITH STRENGTH IN TOUGH TIMES

THE COVID-19 PANDEMIC HAS BROUGHT MAJOR SUPPLY CHAIN CHALLENGES TO THE FORE ACROSS THE GLOBE. IT HAS LED TO DISRUPTION IN THE MOMENTUM OF GOODS, SEVERELY IMPACTING THE TRADE AND ECONOMY.

Just like other industries, Star Cement, too, faced few challenges during the financial year. However, our strong management and resilient team, which believes in facing the challenges head-on, weaved robust strategies to defy the hurdles and keep us sailing through.

Much like any other business that had to battle the COVID-19 slump, our performance, too, was affected in FY 20-21. The year brought many challenges for us, but we have shown resilience and agility even amid such tough times. We focussed on safeguarding our employees as a priority because they are the biggest asset we have.

## OUR RESPONSE AND CONCRETE ACTIONS TO FIGHT COVID-19:

- Safeguarded the health and wellness of our permanent and contractual employees
- Gradually transitioned to work from home with technology upgradation for our employees
- Abided by the Government's nationwide lockdown to curb the widespread of the virus
- Regularly sanitised our workplace and strictly adhered to social distancing norms
- Provided full remuneration to our employees during the year, ensuring financial resilience
- Hosted contractual workers in our facilities during the lockdown and provided them with groceries and other COVID-19 essential supplies
- Spread awareness amongst our people about the pandemic, its impact and safety measures to be followed

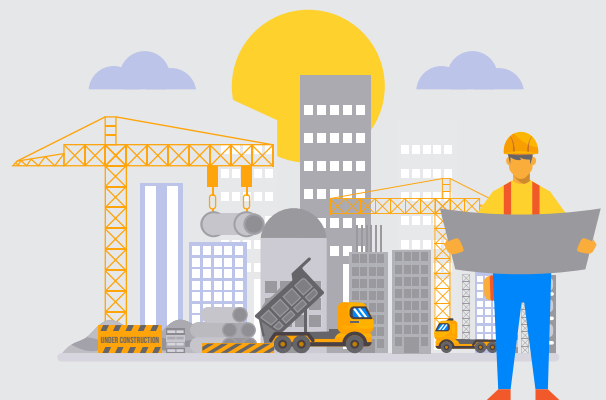
## BEING OPERATIONALLY SOUND

In these troubling times, we have not only demonstrated fortitude, but have also evolved. The Company witnessed a marginal decline in sales due to the pandemic, but the

bridge collapse in the North-Eastern region near our facility created a logistical issue. This became the main cause of our underperformance. However, with the Government's growing focus on infrastructure development across the country in the coming years, we are expecting to witness a robust performance.

Learning from the tough times, we drafted our business continuity planning and followed it diligently. We were confident in our ability to remain strong owing to our healthy cash position. Along with taking care of our employees, we also prepared ourselves to cater to the growing demand in the North-Eastern Region. Our new grinding unit at Siliguri has enhanced our manufacturing capabilities while expanding our aggregate manufacturing capacity to 5.7 Mn metric tonnes per annum.

We also plan to add new capacities to expand our market and broaden our reach in Eastern India. This is expected to boost our size of presence and help us expand our market. It will help us diversify our risks by increasing our footprint.









# OUR CONCRETE PLAN OF ACTION GOING AHEAD

AFTER FACING A VOLATILE YEAR, WE ARE PREPARED FOR A BRIGHTER FUTURE AS LOWERING COVID-19 CASES, FASTER VACCINATION DRIVES, GOVERNMENT FOCUS TOWARDS INFRASTRUCTURE DEVELOPMENT AND GROWING URBANISATION WOULD INCREASE CEMENT DEMAND. BEING THE LARGEST PRODUCER IN THE NORTH-EASTERN REGION, WE ARE WELL PREPARED TO CATER TO THIS GROWING DEMAND THROUGH OUR ROBUST MANUFACTURING UNITS.

## Opportunities in the North-Eastern Region

- Cement consumption is increasing significantly in the Eastern and North-Eastern regions. Eastern India (includes NER) has a 4.6 Mn units urban housing shortfall and a 17 Mn units rural housing shortage, leading to increased demand for cement in the region
- The Central Government has sanctioned ₹ 1.9 Lakhs Crore for road projects spanning over 14,000 km in the North East
- In the North-Eastern states, the road transport and highways ministry is implementing 197 road development projects under various programmes and schemes. Five projects have been approved, and another eight are in the works, with a total investment of ₹ 5,000 Crore, over the next 10 years
- Indian Railways has lined up several projects worth at least ₹ 40,000 Crore to connect capital cities of five North-Eastern states which 20 major railway projects
- North-Eastern Region has the largest Hydro-power potential in India with 98% still untapped. 63,000 MW of Hydro-power capacity is identified, out of which, 14,000 MW capacity is already allotted to private players which is expected to result in ~14 Mn metric tonnes of cement demand
- The Government has also approved a fund of ₹ 14,124 Crore for 464 projects in 8 smart cities in the North East



# PROGRESSING WITH OUR FOCUS STRATEGIES

## Manufacturing Cost Optimisation

We have been actively working towards reducing manufacturing costs at all levels of production. Here is a brief on how we have been doing it:

- **Sourcing** requirements are met through imported coal or procurement from Coal India Limited and its subsidiaries achieving cost optimisation through meticulously planned participation in auctions
- **Optimising** energy consumption and loss from the kiln, minimising fine clinker surging and conducting regular maintenance
- **Installing**
  - New clinker loading system and hopper for bulk loading support
  - Upgraded pyro jet main firing burner to improve operational efficiency
  - Roto scale coal feeding system to improve operations
  - Vibrating screen in the tertiary crusher to improve raw mill grinding
  - Variable frequency drives to reduce power consumption



## Logistical Effectiveness

At Star Cement, we continuously enhance our logistics to achieve quicker transportation at lower costs.

- **Uninterrupted supply:** Through the right mix of dispatch modes, including roadways, railways and waterways
- **Roadways:** Reducing delivery time by using GPS networks to monitor the fleet of trucks
- **Railways:** Commissioned a private railway siding at Guwahati plant to increase efficiency
- **Waterways:** Trial runs to explore river transportation of imported coal from the Haldia port to Guwahati through the Brahmaputra River



## Technological Competence

To develop a greener, faster, and more efficient operational system, we plan to digitise our processes using Artificial Intelligence, IoT, SAP system implementation and Machine Learning-driven applications.

- **Improve productivity** by automating processes across the value chain, including Enterprise Resource Management (ERM) systems, to monitor the efficiency of inventory, sales, and employees, among others.
- **Salesforce automation** enhances manpower productivity and efficiency by ensuring meticulous tracking of attendance, activity and field visits done by sales, branding and technical teams. It gives great insight into target vs. achievements of dealers, outstanding reports, types of schemes, retailer lifting and others. More than 300 employees use the app for their daily field activities. Independent price verification is also conducted regularly using this app to capture the retail selling prices and wholesale selling prices of competing brands in different markets. It has successfully been running for more than five years.
- **Star Saathi App** for dealers has a user base of more than 2,000, giving flexibility of easy placing and smooth tracking of orders 24\*7, viewing ledger and outstanding with detailed insights on lifting, targets and performance. The app also provides a seamless payment option with a payment gateway and information on running sales schemes. It is successfully running for more than two years.
- **Digital displays** help in creating very attractive in-store branding, and is successfully implemented at select top dealer counters, enhancing brand visibility, delivering important brand information, scheme updates, offers, industry news, construction news, thereby giving exclusive digital footprints to dealers.
- **Star Cement Business WhatsApp** helps in creating superior, personalised brand connections, building trust and making it easy to connect with 35,000 cement counters across NE, BH and WB. It helps in quick addressing of customer queries, issues, direct product promotions, scheme details, direct messages, Star Saathi App support, wholesale selling price, retail selling price, retail engagement program and sending festive greetings, anniversary and birthday wishes to network.
- **Retail engagement programmes** are conducted for all dealers, sub-dealers, engineers and contractors on quarterly basis. The programme has been getting massive participation from 7,000 cement counters and more than 10,000 contractors and engineers. Winner

announcement and prize declaration is done on digital platforms, with live hosting on Star Cement's Facebook page.

- **SMS gateway**, a fast and reliable way to connect with cement network, is used for OTP sharing, challan and payment confirmation, freight and raw material dispatch information.
- **Star Cement's customer relationship management** also includes complete support for inbound and outbound calls with proper escalation matrix regarding query handling, retail engagement program, influencer engagement program, feedback collection, scheme data verification, KYC verification, acquiring schemes feedback, making the service a strategic point of contact for specialised incoming and outgoing calls.
- **Bar code-embedded coupon schemes** ensure enhanced authenticity, easy scheme disbursement process.
- **Star Cement customer portal**, a dedicated OTP-based web portal for dealers, used for viewing and downloading outstanding, ledgers, invoices, debit note/ credit notes, sub-dealer ledger.
- **Missed call service** ensures genuineness in capturing of accurate mobile numbers and registration process for sub-dealers, masons, petty contractors, service registration for various types of schemes.

### 'STAR SAATHI'

Mobile application in iOS and android for dealers







# PROGRESSING WITH CARE ENVIRONMENT INITIATIVES

Through our strategic business activities, we hope to create a more sustainable environment. The goal is to maximise resource efficiency, limit environmental effect, and positively impact our communities.

We are committed to continually improving our environmental performance by responsibly managing natural resources and increasing energy efficiency. We have intensified our efforts to lower our CO<sub>2</sub> footprint. We consciously contribute to global efforts to combat climate change by investing in innovative products and process innovation.

**Star Cement is developing a green belt area surrounding its facilities with all native species and evergreen saplings**





## Sustainable Resource Consumption

Sustainable consumption of resources is the need of the hour. At Star Cement, being a responsible building material producer, we understand our responsibility towards a greener tomorrow. We place a high value on resource management and the research and development of innovative solutions to reduce the usage of natural resources. When it comes to the supply chain, we encourage and work closely with the suppliers to reduce any harmful environmental impacts. Furthermore, we recycle solid waste, old lubricants, empty fly ash bags, jute waste, and other materials to promote clean technology.

### Steps taken toward conservation of energy:

- **Increased consumption of fly ash** in PPC and ARC Cement from 29% to 31%

### Reducing Emissions

- Installed all relevant pollution control equipment, such as ESP, RABH, and bag filters, following the operational unit's specifications
- Maintained emission levels within the limit and connected online equipment with Central Pollution

Control Board (CPCB) and State Pollution Control Board (SPCB) servers

- Installed online dust and gaseous monitoring equipment in associated stacks
- Recycled dust collected from various pollution control equipment and sent back into the process



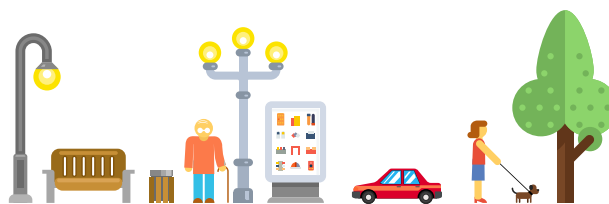
## Shifting to Alternative Energy Sources

The global climatic change and the impacts of rising temperatures can only be tackled with a gradual shift to renewable sources of energy. At Star Cement, we continually invest in assets and infrastructure that enhance performance and quality without negatively impacting the environment. This approach is integral to our strategies at Star Cement.

### Extensive steps in this regard:

- 400W HPSV flood light fitting replaced with 200W and 100W LED light fittings
- 250W HPSV street light fitting replaced with 90W LED light fittings
- Automated plant lighting through LED alternatives, reducing power consumption, enabling it to reduce costs
- Reduction in plant electricity cost by installing a tripping interlock for the capacitor bank in the event of a plant shutdown, resulting in a decrease in energy consumption

**1,150 MWH**  
GREEN ENERGY  
CERTIFICATE PURCHASED



# PROGRESSING THROUGH CONCRETE COMMUNITY DEVELOPMENT

## Social Initiatives

THERE IS NOTHING MORE CRUCIAL TO US THAN OUR EMPLOYEES' DEVELOPMENT AND WELFARE OF COMMUNITIES WE OPERATE IN THROUGH OUR BUSINESS STRATEGIES. THEY REMAIN THE NUCLEUS OF OUR THOUGHT PROCESSES.

### Employee Engagement

At Star Cement, we believe that the success of our organisation is directly linked to the development of our employees. We are committed to nurturing the skills of our employees, enabling them to seamlessly evolve with ongoing technological advancements and progress in their careers.

We organised various vocational and technical training programs during the year. These included technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct.

We also regularly organise rewards and recognition (R&R) programmes and connect with our employees to boost morale and confidence. We believe that regularly engaging with our employees, motivating them and recognising them with performance-based rewards can go a long way to improve productivity and advancement of the Company.

### EMPLOYEE HEALTH AND SAFETY

Star Cement prioritises the health and safety of its employees and adheres to Operational Health and Safety (OHS) requirements at the workplace and sites. In addition to our focus on ergonomics and employee engagements, we also organise health check-up camps to ensure our employees' physical fitness and mental agility.

Amid the pandemic-induced lockdown and even after the gradual relaxations, we have adhered to the safety guidelines and protocols of the Government. This was done to keep our employees safe. Our facilities are regularly sanitised, and all safety measures are followed.



**1,831**

TOTAL EMPLOYEES

**145.6** manhours

TRAINING PROVIDED TO OUR EMPLOYEES



## Community Engagement

In our forward march, we take along our communities through our Corporate Social Responsibility (CSR) initiatives. Star Cement is engaged in community-building initiatives near its manufacturing facilities – Meghalaya, Assam, West Bengal.

Star Cement has enhanced communities across its footprint through efforts focused on providing food and clothing, education, healthcare, rural and urban infrastructure development, and environmental protection.

₹ **8.28** Crore  
CSR EXPENDITURE

### EDUCATION

Education is the fundamental right of every human being. It is the first step toward increasing awareness, critical thinking, empowerment, and the ability to improve people's lives.

#### Our efforts to provide education include:

Renovating the existing infrastructure of schools and providing them with the necessary facilities

- Constructed classrooms and renovated school buildings
- Operated school buses for the students
- Organised regular online art and dance classes
- Distributed school essentials for the students

**3,100**

CHILDREN BENEFITTED



### HEALTH, WATER AND SANITATION

The importance of clean drinking water, hygiene, and sanitation in preserving good health cannot be overstated. At Star Cement, we ensure that our communities have access to essential clean drinking water and sanitation.

- Distributed mask and sanitisers
- Donated ambulance for addressing medical emergency
- Facilitated potable water to the communities
- Organised regular garbage collection under waste management project
- Constructed public toilet blocks
- Installation of drinking water project in neighbouring schools

**12**

VILLAGES COVERED







## LIVELIHOOD ADVANCEMENT AND RURAL DEVELOPMENT

Our CSR initiatives also include programmes to improve the livelihood of our communities and the development of our villages. These include skill development, provision of the necessary equipment as well as infrastructure development:

### Our initiatives to improve livelihood:

- Organised training sessions and online classes for our communities
- Trained farmers for spice cultivation in collaboration with Central Plantation Crops Research Institute (CPCRI) and distributed rhizomes and manures to support the cultivation
- Set up livelihood hub with an agarbatti making unit, setting up of bio flocs, tailoring school, a training hub for beautician and wellness projects and biofloc culture, among others
- Provided bee boxes and floriculture project support to bee farmers in Darjeeling and Assam
- Maintained proper functioning of fishery, duckery, piggery and bee keeping projects with steady participation of communities
- Constructed public toilet blocks



2,196

FARMERS BENEFITTED

47,431

MASKS PREPARED BY THE TRAINEES OF STAR USHA TAILORING SCHOOL FOR STAR CEMENT EMPLOYEES

### Development of Rural Areas

- Procured solar lights to be installed in the nearby villages
- Constructed shops and restaurants for local market
- Constructed 126-meter graveyard and connecting road
- Developed public utility area and renovated cremation ground
- Supported JYMA club to organise a T-20 cricket tournament



86,000







PEOPLE BENEFITTED



# PROGRESSING THROUGH RIGHT VALUE CREATION

## Stakeholder Engagement

THE PERFORMANCE OF AN ORGANISATION IS INCLUSIVE OF THE SUSTAINABLE DEVELOPMENT OF ITS STAKEHOLDERS. EFFECTIVE STAKEHOLDER ENGAGEMENT IS NECESSARY FOR ALIGNING STAKEHOLDER NEEDS WITH ORGANISATIONAL GOALS. AT STAR, WE ENDEAVOUR TO IDENTIFY, EVALUATE AND ADDRESS THE NEEDS AND CONCERNS OF THE STAKEHOLDERS WITH OUR PROACTIVE ENGAGEMENT PROCESS TO CREATE LONG-TERM VALUE.

STAKEHOLDERS		FOCUS AREAS
	<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>Quality and product pricing</li> <li>Timely delivery</li> <li>Product-related queries</li> <li>Seamless customer service</li> <li>Responsible building-material partner</li> </ul>
	<b>SUPPLIERS AND DEALERS</b>	<ul style="list-style-type: none"> <li>Timely payment</li> <li>Continuity of orders</li> <li>Transparency</li> <li>Engagement</li> <li>Future development</li> </ul>
	<b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>Return to Shareholders</li> <li>Ethical business practices</li> <li>Transparent reporting, disclosure and governance</li> <li>Sustainable business performance</li> <li>Risk management</li> </ul>
	<b>GOVERNMENT AND REGULATORY AUTHORITIES</b>	<ul style="list-style-type: none"> <li>Taxes and royalties</li> <li>Compliance with laws and regulations</li> <li>Ethical and responsible business</li> <li>Economic growth</li> <li>Employment generation</li> <li>Active participation in industry and regulatory working groups</li> </ul>
	<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>Infrastructure development</li> <li>Local employment</li> <li>Better quality of life</li> <li>Regular engagement to promote social well-being</li> <li>Environment conservation</li> <li>Community welfare initiatives</li> </ul>
	<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Growth opportunities and career advancement</li> <li>Work-life balance</li> <li>Effective performance management</li> <li>Safe work environment</li> <li>Training workshops</li> <li>Employee health and morale</li> <li>Competitive remuneration</li> </ul>





	MODE OF ENGAGEMENT	FREQUENCY
<p>&gt;</p>	<ul style="list-style-type: none"> <li>● Brochures and catalogues</li> <li>● Phone calls, E-mails, and meetings</li> <li>● Site visits</li> <li>● Exhibitions and events</li> <li>● Customer feedback</li> <li>● Customer satisfaction surveys</li> <li>● Digital and social media connect</li> </ul>	<ul style="list-style-type: none"> <li>● Regular</li> <li>● Periodical</li> <li>● Annual</li> <li>● Need-based</li> </ul>
<p>&gt;</p>	<ul style="list-style-type: none"> <li>● Emails and meetings</li> <li>● Vendor meets</li> <li>● Annual dealer/channel meetings</li> <li>● Conferences</li> <li>● Marketing meets</li> </ul>	<ul style="list-style-type: none"> <li>● Periodical</li> <li>● Annual</li> <li>● Continuous</li> </ul>
<p>&gt;</p>	<ul style="list-style-type: none"> <li>● Quarterly results</li> <li>● Investor presentations</li> <li>● Press releases</li> <li>● Annual Report</li> <li>● Annual General Meeting</li> <li>● Investor/analysts calls and meets</li> <li>● Management roadshows</li> <li>● Investor grievance channels</li> </ul>	<ul style="list-style-type: none"> <li>● Need-based</li> <li>● Periodical</li> <li>● Annual/Quarterly</li> </ul>
<p>&gt;</p>	<ul style="list-style-type: none"> <li>● One-on-one meetings</li> <li>● Group meetings</li> <li>● Periodical submission of business performance</li> <li>● Mandatory regulatory filings</li> <li>● Written communications</li> <li>● Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>● Need-based</li> <li>● Periodic</li> </ul>
<p>&gt;</p>	<ul style="list-style-type: none"> <li>● CSR initiatives by Star Cement Limited</li> <li>● Skill development and training workshops</li> <li>● Various education and health initiatives</li> <li>● Employee volunteering</li> <li>● Surveys</li> </ul>	<ul style="list-style-type: none"> <li>● Regular</li> <li>● Need-based</li> </ul>
<p>&gt;</p>	<ul style="list-style-type: none"> <li>● E-mails, one-on-one and group meetings</li> <li>● Townhalls</li> <li>● Engagement initiatives</li> <li>● Training and development workshops</li> <li>● Health initiatives</li> <li>● Performance appraisals</li> <li>● Grievance redressal mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>● Regular</li> <li>● Quarterly</li> <li>● Monthly</li> <li>● Continuous</li> <li>● Need-based</li> </ul>

# PROGRESSING THROUGH THE RIGHT PROMOTION

## Marketing Approach

AT STAR CEMENT, WE BELIEVE IN GOING BEYOND THE COMMODITY-DRIVEN BUSINESS AND DO MORE THAN JUST SELLING CEMENT. WE HAVE ADOPTED A 360-DEGREE COMPREHENSIVE APPROACH TO PROMOTE OUR BRAND AND CREATE THE RIGHT AWARENESS BY LEVERAGING THE POWER OF MARKETING. THEREFORE, WE CONSISTENTLY INVEST IN DEVELOPING AND BUILDING A BRAND TO ATTAIN MORE SUBSTANTIAL CUSTOMER BRAND EQUITY AND RECALL.

### STRENGTHENING THE 'STAR ' BRAND

Over the years, Star Cement has developed a strong foothold in the industry. We have been enjoying consistent growth as the leading Cement brand in North-Eastern Region and one of the most preferred cement brand in West Bengal & Bihar. This has helped us ensure better connect while also driving demand and building brand confidence.

### ENHANCING BRAND VISIBILITY

As a part of our brand promotion strategy, we onboarded one of the biggest bollywood stars Akshay Kumar as the brand ambassador of Star Cement. Mr. Akshay Kumar, being one of the nation's greatest icons, aptly represents our Company's firm commitment and preparedness for all the unseen challenges.

### OTHER MARKETING INITIATIVES

We have been actively expanding our reach in the markets of West Bengal and Bihar to access the deeper pockets of these regions. Thereby, strengthening our brand presence. Our marketing initiatives comprise:

- Building the brand aggressively and innovatively in the markets of West Bengal and Bihar
- Developing out-of-the-box marketing strategies to increase brand recall and market perception through communication and media innovation
- Advertising at prominent road crossings, surrogate boards, local television, in addition to the traditional billboard/hoarding advertisements and digital media campaigns

## COVID AWARENESS CAMPAIGN

We launched a unique brand campaign to raise awareness around the COVID-19 pandemic, highlighting the Dos and Don'ts of COVID-19. We were recognised among the country's top 5 brands out of a total 172

brands for our campaign on creating COVID-19 awareness as per the Brand Equity April 2020, published in The Economic Times.



## 'HAIN TAYYAR HUM' CAMPAIGN

With the purpose of expanding and developing the 'Star' brand in North Eastern Region, West Bengal and Bihar, we conducted a comprehensive 360° campaign. We adopted an aggressive approach for our brand marketing and involved masses in out of home advertising (OOH), television commercial (TVC), radio and press.

Currently, we are airing a TV commercial on all major channels which shows Akshay Kumar as a pilot trying to land his helicopter after developing some snag while

flying. The commercial then shows, to the surprise of the co-pilot, how Akshay confidently lands on the roof of a house made with Star Cement. The core message that the commercial tries to convey is that the roof made with Star Cement takes minimum time for a solid setting and that it is quick & strong. The product feature then blends with the Brand promise of 'Hai Tayyar Hum' for all challenges. The khiladi and macho image of Akshay Kumar indeed complements the TVC script pretty well.




## ANTIMICROBIAL CAMPAIGN

The second quarter of FY 2020-21 saw the launch of our Antimicrobial campaign across the markets of North East, North Bengal & East Bihar. We took the route of a 360 degree advertising approach involving TV, Print, OOH, Retail visibility and Digital. The campaign's

tagline, 'Star Cement Lana Virus Ko Bhagana', used on Antimicrobial coated cement bags, immensely helped build confidence among the customers for using the brand even amid the pandemic.



[www.starcement.co.in](http://www.starcement.co.in) Toll Free No.: 1800 345 345 00  Star Cement



STATE-OF-THE-ART CEMENT PLANT WITH CUTTING-EDGE TECHNOLOGY  
AT LUMSHNONG, MEGHALAYA

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# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

## DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting Twentieth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2021 and the Statement of Profit & Loss for the year ended on that date.

## FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company for the financial year ended 31st March, 2021 as compared to the previous financial year are as under:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Total Income	1,74,815.28	1,87,258.32	1,68,516.16	1,80,133.57
Profit before Interest, Depreciation and Tax and exceptional items	36,082.08	42,380.62	26,214.65	31,387.84
Interest & Finance Charges	698.86	933.73	1,255.87	1,955.94
Depreciation	8,999.41	9,295.18	4,773.29	4,331.89
Profit before exceptional items and tax	26,383.81	32,151.71	20,185.48	25,100.00
Exceptional Items	6,457.42	-	2,931.36	-
Profit/(Loss) before Tax	19,926.39	32,151.71	17,254.12	25,100.00
Provision for taxation:				
- Current Tax	(3,407.63)	(5,339.75)	2,946.37	4,309.68
- Income tax for earlier years	(9.56)	3.25	-	(36.79)
- Deferred Tax	2,203.79	1,915.13	(1,419.46)	(1,043.58)
Net Profit after Tax	18,712.99	28,730.34	15,727.21	21,870.69
Other comprehensive income for the year, net of tax	14.45	(36.97)	5.42	(21.60)
Total comprehensive income for the year	18,727.44	28,693.37	15,732.63	21,849.09
Net profit attributable to:				
Owners of the Company	18,712.99	28,554.98	-	-
Non-controlling interest	-	175.36	-	-
Total	18,712.99	28,730.34	-	-
Other Comprehensive Income attributable to:				
Owners of the Company	14.45	(36.40)	-	-
Non-controlling interest	-	(0.57)	-	-
Total	14.45	(36.97)	-	-
Total Comprehensive Income attributable to:				
Owners of the Company	18,727.44	28,518.58	-	-
Non-controlling interest	-	174.79	-	-
Total	18,727.44	28,693.37	-	-

## OPERATIONAL REVIEW

In response to the pandemic situation, we had adopted a series of measures to keep the all concerns at safe, business on, retention of employees and protect the business. We have been extremely proactive in managing the crisis and ensuring the safety and well being of our employees. Being an exceptional organisation Standard Operating Procedures (SOPs) for all Plant and Non Plant locations along with task force were formed to enforce the COVID Protocols in the workplace. In line with directives of the Government, work from home facility provided to the employees. Emergency Response Team (ERT) was formed with employees representing different functions and locations to support and extend help to all covid infected employees and their family members including help on availability of Medicines, Oxygen, Doctor, Hospitals/Beds, foods supply etc. Vaccination programmes are being undertaken for the employees and their family members.

A midst pandemic situation, we have prioritised strategic growth by way of establishing new plant, investments without taking much risk exposure and safety of our operations. We are confident that our current manufacturing footprint is sufficient for the economic rebound from the pandemic situation and ensuing structural growth over the coming years.

During the year under review, your Company has manufactured 4,35,053 MT of Cement Clinker as against 5,72,460 MT recorded during the FY 2019-20. Company's subsidiary M/s. Star Cement Meghalaya Limited has produced 14,75,660 MT of Clinker as against 16,42,975 MT during the FY 2019-20. On consolidated basis total clinker production during the year was at 19,10,713 MT as against 22,15,435 MT during FY 2019-20.

In terms of capacity utilisation, clinkerisation unit of your Company was able to utilize 54.93% of its installed capacity as against 72.28% during the FY 2019-20. Similarly, the capacity utilisation of clinkerisation unit of its subsidiary M/s. Star Cement Meghalaya Limited was at 84.37% during FY 2020-21 as against 87.39% during the FY 2019-20. On consolidated basis, the capacity utilisation of clinkerisation units was at 75.20% during the FY 2020-21 as against 87.19% during FY 2019-20.

During the year, due to unprecedented situation arisen for covid, production and realisation of your Company and its subsidiaries were affected. Thereafter, in view of transport strike announced in North East Region and sudden brake down of Umiam bridge in Meghalaya seriously affected easy movement of goods for a considerable period of time which resulted in fall in volume of production and thereby profitability. Sales volume was lost due to total Nation wide lock down imposed in April 2020 and gradual unlock happened in coming months.

Your Company has been able to maintain the performance on grinding front too. During the year under review, total cement production on consolidated basis was at 26,36,338 MT (including purchase from hired grinding units) as against 28,93,562 MT during the FY 2019-20.

Similarly, your Company has been able to achieve sales volume of 26,44,048 MT of Cement as against 28,79,782 MT during the previous financial year. There has been decline in overall performance of your Company during the FY 2020-21. Starting of Siliguri Plant remains silver lining in the operations.

## NEW PLANT AT SILIGURI

In order to meet increase demand of cement and to expand business operation in Eastern India, the Company has set up a new modern state of art Grinding Unit with 2 Mn tonne capacity per annum at Siliguri, West Bengal. The project became functional since 16th January, 2021 and started production. The said project will help the Company to strengthen its market share in the Eastern India.

## DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances has decided that it would be prudent, not to recommend any Final Dividend for the FY 2020-21 (Previous year NIL).

## INDIAN ECONOMY AND OUTLOOK – AT A GLANCE

The FY 20-21 recorded overall negative growth in terms of GDP. As a ray of hope, Construction sector recorded a growth of 6.2 per cent in 4th quarter against a contraction of 7.2 per cent in the preceding quarter. Manufacturing sector also recorded positive node recording a growth of 1.6 per cent as against a contraction of 1.5 per cent. Electricity, water and gas and agriculture, fishing and quarrying were the other sectors that reported positive growth at 7.3 and 3.9 per cent respectively. Trade, hotels, transport, communication and services, recorded marginal recovery, but continued to record negative growth. Consumption growth is expected to strengthen the healthier income generation which is being used to rebuild the savings buffers that were drained out during the lockdown.

Calender year 2021 so far started in India with a hopeful bliss of positive note. After lot of urgent actions from the Government, the country witnessed sharp decline in active Covid cases. Daily infections and death rate were declined sharply. Efficient management of Covid and achievement of multiple home made vaccines with Government's programme to vaccinate the people of the Country at a large scale on phase wise helped the country to be on track of development. To keep the supply chain live, country's cold chain infrastructure was refurbished. At that juncture, 2nd



wave of Covid-19 shaken the country. It is much more serious and its fatalities are more. Lock down and restrictions has already been announced in few parts of the Country. Focus of the Central and State Governments have been immediately shifted to control the pandemic and providing urgent medical needs.

The overall impact of pandemic on economy is yet to be ascertained. The effects of any significant economic disruption are not limited to any particular period itself. It can have a cascading effect through both demand and supply channels. If supply chains get affected and inflation starts rising the demand is bound to fall. Similarly, any cutback in economic activities will adversely affect incomes and hence demand.

However, on other hand, during the year as a ray of hope, Country's Agriculture sector witnessed strong growth prospects due to healthy production of rabi crop. The Government hiked minimum support prices (MSP) for kharif and rabi crops by at 2.1%-12.7%. For the Kharif season in 2020-21, total rice procurement target was set at 495.37 lakh tonnes, of which 316.51 lakh tonnes of rice was already procured by December end. Employment demand under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) significantly improved. The Government, under the Pradhan Mantri Garib Kalyan Rozgar Yojana scheme, allocated an additional ₹ 10,000 Crore to boost job creation in the rural sector and enhancement of rural incomes.

Significantly, in all round development front, the total vehicle registrations in end December 2020 bounced back to indicate positive YoY growth. In December 2020, Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4, compared with 56.3 in November 2020. This happened due to proactive measures taken by the industry players to increase production to meet the rising demands of consumers.

The on going vaccination programme undertaken by the Government of various countries and its positive impact are expected to stimulate momentum in global economic activities which is also expected to boost the possibility to achieve better results in the forthcoming financial year inspite of second/third phase wave of the virus.

## **CEMENT INDUSTRY OVERVIEW**

India is the second largest producer of cement in the world. Country has a lot of potential for development in cement sector. The infrastructure and construction sector are the major contributors for development of the sector. In view of deregulation, the sector had attracted huge investment from within the country and abroad.

Country's cement industry promises huge potential for

growth. Country's cement production capacity stood at 542 MT p.a. and the country is presently producing 323 MT p.a. Cement production reached 329 Mn tonnes (MT) in F.Y. 2020 and is expected to reach 381 MT by F.Y. 2022. In other hand, the cement consumption recorded at 327 MT in F.Y. 2020 and expected to reach 379 MT by F.Y.2022. As per report of CLSA (Institutional brokerage and Investment group), the cement sector of the Country endorsing improved demand. The cement industry will likely witness a capacity addition of 100 to 110 Mn tons in the next five years. Cement demand to register a CAGR of 6% to 7% from Fiscal 2021 to Fiscal 2026 through infrastructure investments and healthy housing demand. Per-capita income and per capita cement consumption of the eastern and central regions are well below Pan-India numbers and thus provides huge scope for potential growth.

East India demand is expected to grow by 28% with a CAGR of 9% by 2025-2026. West Bengal and Bihar is the strongest cement consuming state in the eastern-region accounts with more than one-fourth of the region's total demand at ~21 Mn tonnes and 19 Mn tonnes respectively. Cement demand in West Bengal and Bihar has grown with 12% and 9% CAGR respectively in last five years with the help of central government's housing for all as well as rapid infrastructure development in rural and urban sectors. Cement demand in West Bengal and Bihar is expected to grow with 9% CAGR by 2025-2026.

Rating Agency of the country expects cement demand of the country to rise by 20% in the Financial year 2022 by way of local market to return to volumes as seen before pandemic. It predicts that growth will be supported by rural demand, including affordable housing, and recovery in infrastructure sector. Cement production capacity is expected to increase to 22 MT and a major part if the additional capacity is expected to be in the eastern region.

In order to help the industry, the Government of India has taken various initiatives. The Union Budget allocated ₹ 139 Bn for Urban Rejuvenation Mission like AMRUT and Smart Cities Mission. Government's various drives for helping infrastructure sector i.e., Housing for all, Smart Cities Mission and Swachh Bharat Abhiyan are also major contributing factors for increasing cement demand in the country. The Union Government had plan to upgrade 1,25,000 km of road over the next 5 years period. An additional outlay of ₹ 18,000 Crore allocated for the PM Awaas Yojana - Urban that would be used for the development of ~30 lakh houses (ground support for 12 lakh houses and completion of 18 lakh houses) and will likely create an additional 78 lakh jobs and boost production and sale in the steel and cement sectors. Union Budget 2020-21 also allocated ₹ 27,500 Crore under Pradhan Mantri Awas Yojana.

In order to boost up demand of cement industry Government



plans to spend ₹ 1.97 lakh Crore in next 5 years for PLI schemes in 13 Sectors to create and nurture manufacturing global champions for an Aatma Nirbhar Bharat. Government has also allocated ₹ 1.18 Lakh Crore for Ministry of Road Transport and Highways in 2021-2022. The National Infrastructure Pipeline, which was launched with 6,835 projects in 2019, has now been expanded to 7,400 projects. The focus on enhancing infrastructure targets will have its trickle-down benefits for the cement industry, too.

In FY 20-21 Government has planned to construct more than 13,000 km length of roads with an investment of ₹ 5.35 Lakh Crore under Bharatmala Pariyojana project. In 2021-2022, Government is planning to complete an additional 11,000 kms of national highway corridors.

In view of increasing demand in various sectors such as housing, commercial construction and industrial construction, Country's cement industry is expected to reach 550-600 Mn tonnes per annum (MTPA) by the year 2025. Eastern states are likely to contribute for the development of the region as their untapped markets are likely to be explored.

#### **NORTHEAST SCENARIO – GATEWAY OF OPPORTUNITIES**

North Eastern Region of the Country comprising of eight states are very rich in natural resources. Post Independence, for a considerable period of time, socio-political trouble has kept the States from achieving its true potential. However, on a range of indicators, the rate of development now a days is on the rise, with notable improvements in health, education, infrastructure development and industrialisation.

The Government of India has taken several measures to accelerate growth of the North East Region (NER). In the past few years due to continued support of the State and Central Government, the North East Region has seen continued improvement in consumer spending on Housing. With India committed to realising its target of becoming a \$5 tn economy by 2024, accelerating the development and economic potential of the northeast is very important.

During the year, as a notable development, the Government has nearly doubled fund allocation for 'Special Accelerated Road Development Programme' in North Eastern Areas (SARDP-NE) to ₹ 760 Crore against a sum of ₹ 390 Crore expenditure was envisaged to be incurred from National Investment Fund for the region during 2020-21.

The Government has put special emphasis to the North-Eastern states and accordingly Budget allocation for 2021-22 has been increased to ₹ 55,820 Crore from ₹ 41,764 Crore sanctioned in 2020-21.

The budget has also announced that works of more than ₹ 34,000 Crore covering more than 1300 kms of National Highways will be undertaken in the States in the coming three years, besides making provision of ₹ 1,000 Crore for the welfare of Tea workers, especially women and their children

in Assam and West Bengal. Under NLCPR- Central Scheme Agartala-Akhaura Rail link project is under progress.

Department of Telecommunications, Ministry of Tourism, Ministry of Panchayati Raj and Department of Posts have significantly increased their NER Budget. The Ministry of Railways has spent ₹ 31,849 Crore in NER from 2014-15 to 2019-20. Similarly, Airport Authority of India also spent a substantial portion of its budget for upgradation of airports in the North East.

The prestigious 890 Km NW-2 on Brahmaputra river connecting Dhubri-Sadiya expected to be completed by the year 2022. In NER, 10 non-operational airports are likely to be operationalised in this period. 'Krishi Udaan' project will be launched by the Ministry of Civil Aviation, this will immensely help to improve value realisation especially in North-East and tribal Districts of the sector.

The Northeast Frontier Railway (NFR) in India has announced its plans to complete the Bairabi-Sairang new railway line project in the northeastern state of Mizoram by March 2023. The project received a boost after the central government in its recent 2021-22 budget allocated additional ₹ 1,000 Crore for the Bairabi-Sairang project. This will aim to link all the state capitals in the country's northeastern region.

Under the Indian Railways "Kisan Rail" projects, refrigerated coaches be attached in Express and Freight trains as well. This would enable perishable agri-horticultural produce of the North East to be transported to the rest of the country, thus contributing to the Government's aim for increase in farmer's income.

All the aforesaid efforts would lead to balanced socio-economic development of North East and reduce inter region and inter-tribes/community disparities. The development of sustainable agriculture practices like organic farming in place of Jhum Cultivation would lead to Green North East.

The Union Government had especially emphasised on development of NER with plans to set up a NE industrial corridor and the Arunachal corridor will act as a land bridge between India and SE Asia and provide employment opportunities with a significant push to the trade and tourism industry. The 692.70 km long industrial corridor would run along the foothills on the boundaries of Arunachal and Assam.

Implementation of aforesaid projects and initiatives of the Government will contribute in all round development in NER which will pool cement demand and lead to increase in per capita consumption of cement and would help the Company to increase its market share in the Region.

#### **MARKET DEVELOPMENT**

As a strategy, the North East Market continued to be the focus market for your Company. Cement demand was good

throughout the year. Demand increased by 8% in NER against an all India average of 6%.

During the year under review your Company was able to sell 21,04,322 MT of cement in NER market as against 21,63,682 MT during the FY 19-20. Fall in sale was mainly due to lock down announced across the country. During the year under review, around 21% of the total Cement demand in NER was catered to by the industry through imports from other regions including Bangladesh and Bhutan.

Your Company had bagged contract for supply of 1,50,000 MT cement to NHPC Limited in 2020-2021 and it is under execution. Clinker demand was good in Eastern Nepal and Bhutan. Your Company grabbed this opportunity and has achieved export of 46,526 MT Cement Clinker during the entire year under review as against 57,807 MT recorded in previous year. Reduction in volume of export was mainly due to fall in prices in aforesaid locations which was owing to new plants established in Nepal.

As a market leader in NER your Company has further consolidated dealers and sub dealer's network. Currently your Company is associated with 2,100 dealers and 12,000 sub dealers. The Company has introduced a mobile application for dealers for payments, orders booking, printouts of invoices and ledgers. This initiative is helping dealers in timely submission of GST returns.

During the year under review your Company has undertaken various marketing initiatives in order to make the brand "Star Cement" more visible and attain top of mind recall. A unique Brand Campaign around COVID 19 Pandemic awareness on the topic of Do's and Don'ts of COVID 19 was launched where Star Cement featured among the top 5 brands out of 172 brands in the country to do an awareness campaign on COVID 19 as per Brand Equity April 2020 published in The Economic Times.

The second quarter of FY 2020-21 saw the launch of antimicrobial campaign with a 360 degree approach involving, TV, Print, OOH, Retail visibility & Digital. The punchline "Star Cement Lana Virus Ko Bhagana" on Antimicrobial coated cement bags helped to build confidence about the usage of the brand even during such severe corona pandemic. This was launched across the markets of North East, North Bengal & East Bihar.

The Last Quarter of the Financial year saw the launching of Star Cement's First ever Brand Television Commercial with one of the biggest Stars of Bollywood as the Brand Ambassador- Mr. Akshay Kumar.

The Brand Campaign has the key message of highest one day strength which makes Star Cement ready for all challenges depicted with the tagline "Hain Tayyar Hum". The TV commercial is being seen across all major regional news

channels in North East, West Bengal & Bihar. The commercial also have presence in the Digital medium & will have a heavy BTL presence through Surrogate boards, Hoardings, Wall Painting & Dealer/Retailer branding. The campaign hence has visible across 360 degrees in multiple mediums.

Beside that this year the contract with Hima Das, the first Indian athlete to win Gold at an International event, was also extended. The TVC with Hima Das was played in TV Channels where she factually claimed that her own house was being made with Star Cement which created a huge buzz around the brand "Star Cement" in market places.

Benefits for aforesaid branding initiatives will be seen in years to come.

## PRODUCTION AND COST DEVELOPMENTS

### Fly Ash

Your Company focused upon increase in production of Portland Pozzolana Cement (PPC). As a result we could consume higher quantity of Fly Ash which is otherwise an environment hazard. In the process we could consume 9,14,419 MT of Fly Ash.

In order to bring down the cost of Fly Ash, various path breaking efforts were taken up. We started transportation of "Conditioned Fly Ash" in BOXN Rakes from plants like Vedanta, Tata Power and Hindalco, resulting in savings on packing and transportation cost.

### Logistics & Freight

This was a year of biggest logistical challenges ever. We faced Covid19 disruptions in the entire Supply Chain. Diesel prices reached to historical highs. Problems were further multiplied by Land Slides and Collapse of two major bridges in Meghalaya. Your Company steered through these challenges to ensure that supplies to Market are ensured while keeping the cost in control. Wtd. Avg. Freight cost increased to ₹ 1,140 Per MT from ₹ 1,111 per MT recorded in previous year. Wtd. Avg. Lead distance reduced to 258 KM from 271 KM recorded in the year before.

Your Company has always focused on giving best Logistics service to consumers at the most economical costs. Various efforts were taken up to improve on Service Levels such as "Stock on Wheels" delivery system and optimisation of Ware Housing Network.

Your Company received Prestigious "CII SCALE Award" for Excellence in Supply Chain Management 2nd time in Row.

### Power cost

During the year Meghalaya Power Limited became a wholly owned subsidiary of the Company. During the year under review too, your Company continued to source its power requirement for its Lumshnong unit from its wholly owned subsidiary M/s. Meghalaya Power Limited under long term

arrangement for supply of quality power at competitive rates and thus, has been able to reduce dependency on State utility/grid power. Cost of coal has a direct bearing on fuel cost. In view of increasing fuel cost due to increase in price of coal and to optimize the power cost and to reduce dependency on State utility /grid power, your Company has been able to source its power requirement of its Grinding Unit at Guwahati and integrated cement plant at Lumshnong from Indian Energy Exchange (IEX). The blend of sourcing has not only reduced power cost for your Company but also its quality and dependability.

Coal availability from local sources remained constrained. Sourcing of Coal was done majorly from Coal India Limited and Imported Coal from South Africa.

### KEY PERFORMANCE HIGHLIGHTS

- Consolidated cement production (including purchase from hired grinding units) was at 26.36 Lac MT during the year as against 28.93 Lac MT during the previous financial year.
- Consolidated net sales at ₹ 1,748.15 Crore during the year under review as compared to ₹ 1,872.58 Crore during the FY 19-20.
- Consolidated EBIDTA was at ₹ 296.25 Crore during the year under review as compared to ₹ 423.81 Crore during the immediate previous financial year.
- Consolidated profit before tax during the year 2020-21 was at ₹ 199.26 Crore as against a profit of ₹ 321.52 Crore in the year 2019-20.
- Consolidated Exceptional items during the year was ₹ 64.57 Crore

### OPPORTUNITIES & THREATS, RISKS AND CONCERNS

Marketing strength of Star Cement lies on strong dealers network. Locational advantages helped to procure raw materials at affordable prices. Company's aggressive marketing strategies and strong branding network also contributed to establish its position as the market leader in the region. Company's new Siliguri plant will also contribute to expand the market in eastern region of the county.

Company's dependence on domestic market and business concentration on regional market for a longer period of time may adversely affect the growth of the Company. Environmental impact and other force majeure events may affect the operations of the Company. A less than optimal demand growth in the region may lower revenues of the Company.

Government's various initiatives like Make in India, Housing for all, development of Ports, Roads and Highways, dam & irrigation project, National Highway Development programme,

Bharat Nirman Yojana, dedicated Freight Corridors, Gauge conversion Projects undertaken by Railways, development in the area of alternative source of energy viz. Hydro and Solar Power and other infrastructure projects is expected to boost Cement and Power Demand of the country. Government's special drive for development of the North Eastern Region will also help the sustained development of the industry.

Various positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising the tax structure, administration, and opening up more areas for foreign investment through the automatic route will also increase the demand of cement and power.

Competition in the cement industry is very high apart from the large players there are also small players in the market. Competition from the foreign players may lead to tougher competition to the domestic players. This allows limited market share in the industry. Constant increase in fuel costs leads to high transportation cost. Cement Industry is highly fragmented and it is also highly regionalised, transportation of low volume of cement over long distances become uneconomical.

Cement and power industry being majorly dependent upon availability of raw materials at affordable cost. Policies of the Government as well as Central and State Laws may adversely affect the availability of lime stone, coal etc. Any major changes in Government's Environmental and Forest regulations may affect limestone and coal availability to cement plants. However, your Company is sourcing raw materials from alternate sources so that raw materials availability risks is mitigated. Company's vast dealer's network across the States also help to mitigate the risk.

Your Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of Directors of the Company is kept informed about the risk management of the Company. The Board of Directors have formed a Risk Management Committee inter alia, to oversee the risk assessing and mitigation process of the Company and advice the management in this regard.

### SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2021 was ₹ 41,24,28,997 divided into 41,24,28,997 equity shares of ₹ 1 each. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

### SHARES IN SUSPENSE ACCOUNT

Disclosures of the shares lying in Company's Unclaimed Shares Suspense Account are given in the Report of Corporate Governance.

## INVESTOR EDUCATION AND PROTECTION FUND

As per Companies Act, dividends that are unclaimed/unpaid for a period of seven (7) years from the date of their transfer are required to be transferred to the Investor Education and Protection Fund ('IEPF') administered by the Central Government.

The tentative date for transfer of unclaimed and unpaid dividends to the IEPF, declared by the Company are as under:

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
2015-16 (Interim)	09.06.2015	18.07.2022
2017-18 (Final)	31.07.2018	06.09.2025
2019-20 (Interim)	06.02.2020	14.03.2027

Members who have not encashed their dividend so far in respect of the aforesaid periods are requested to make their claims to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agent of the Company ('RTA') or to the Company Secretary of the Company, at the Company's Registered Office/ Corporate Office, well in advance of the above due dates. Pursuant to the provisions of IEPF Authority (IEPF) (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th September, 2020 (date of the last AGM) on the website of the Company at [www.starcement.co.in](http://www.starcement.co.in) and also on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

Further, pursuant to the provisions of Section 124 of the Act, read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF Authority as notified by the Ministry of Corporate Affairs.

Accordingly, Interim Dividend declared for the FY 13-14 which was unpaid for seven (7) consecutive years aggregating to ₹ 1,66,747 and the 1,59,136 equity shares in respect of which dividend entitlements has not been paid or claimed for seven (7) consecutive years or more have been transferred by the Company to the IEPF Authority after following the required provisions of Rules. The Company has sent intimation letters to the members and published advertisement in the newspaper. The details are available on the web site of the Company at [www.starcement.co.in](http://www.starcement.co.in)

The shareholders whose dividend/shares have been/ will be transferred to the IEPF Authority may claim the shares or apply for refund by making an application to the IEPF Authority by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF Authority at <http://www.iepf.gov.in/IEPF/refund.html>.

## EXTRACT OF ANNUAL RETURN

In terms of requirement of Section 134 (3) (a) read with Section 92(3) of the Companies Act, 2013, the extract of the Annual return of the Company has been placed on the Company's website and can be accessed at the web link: <https://starcement.co.in/wp-content/uploads/Annual-Return-2020-21.pdf>

## MEETINGS OF THE BOARD

During the year six (6) Board Meetings and four (4) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board meeting and the Committee meeting are provided in the Corporate Governance Report.

## MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 12th March, 2021 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also inter alia assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## COMMITTEES OF THE BOARD

The composition and terms of reference of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee and Finance Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee and Nomination and Remuneration Committee.

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and as per Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI). The Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimisation of employees and Directors to avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to at the Company's website at



the web link: <https://starcement.co.in/wp-content/uploads/Whistle-Blower-Policy-4.pdf>

#### **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The details on the same are given in the Corporate Governance Report. The said policy may be referred to at the Company's website at the web link: <https://starcement.co.in/wp-content/uploads/Remuneration-Policy.pdf>

#### **DIVIDEND DISTRIBUTION POLICY**

In terms of Regulation 43A of the Listing Regulations, your Board has framed and adopted a Dividend Distribution Policy. The object of the policy is to sharing profit of the Company with the shareholders appropriately and also to ensure funds are available for the growth of the Company. The policy inter alia describes the circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy for utilisation of retained earnings and the parameters with respect to different classes of shares for the purpose of declaration of dividend. The said policy may be referred to at the Company's website at the web link: <http://starcement.co.in/wp-content/uploads/Dividend-policy.pdf> and also forming a part of this report.

#### **CODE OF CONDUCT**

With intent to enhance integrity, ethics & transparency in governance of the Company your Company had adopted a Code of Conduct for Directors and Senior Management Personnel. The Code has been displayed on the Company's website [www.starcement.co.in](http://www.starcement.co.in)

#### **COMPLIANCE WITH THE SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS**

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Companies

(Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to requirement of Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

#### **AUDITORS & AUDITORS' REPORT**

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration no. 304138E) Statutory Auditors of the Company, have been appointed by the members at the Sixteenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 11th September, 2017. The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

#### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) as Cost

Auditors of the Company for the financial year ended 31st March, 2021 in the Board Meeting held on 25th June, 2020. The remuneration proposed to be paid to them for the FY 2020-21, as recommended by audit committee, was ratified in the meeting of shareholders held on 29th September, 2020. However, Messrs Sanjib Das & Associates, have expressed their unwillingness to be re-appointed for the FY 2021-22 due to their pre-occupation.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064), as the Cost Auditors of the Company for the FY 2021-22 under section 148 of the Companies Act, 2013. M/s. B. G. Chowdhury & Co. have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. B. G. Chowdhury & Co., Cost Auditors for the FY 2021-22 is included in the Notice convening the Annual General Meeting. The cost audit report for the FY 2019-20 was filed with the Ministry of Corporate Affairs on 09th December, 2020.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith and marked **Annexure-1**. The report is self-explanatory and do not call for any further comments.

In terms of Regulation 24A of LODR, Star Cement Meghalaya Limited, a material subsidiary is under secretarial audit and report submitted by the Secretarial Auditors is annexed herewith and marked **Annexure-1A**. The report is self-explanatory and do not call for any further comments.

### BUSINESS RESPONSIBILITY REPORT

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility Report of the Company for the financial year ended March 31, 2021 is attached as part of the Annual Report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not

made any investment or provided guarantee or security in connection with a loan to any person exceeding the limit specified in Section 186 of the Companies Act, 2013.

During the year the Company has purchased balance 83,94,000 Equity Shares of ₹ 10 each of Meghalaya Power Limited which entailed the Company to increase its stake to 1,71,30,620 Equity Shares of ₹ 10 each (i.e., 100%) and the said Meghalaya Power Limited became a Wholly Owned Subsidiary of the Company.

Details of Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in notes to the financial statements.

### RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of the material contract or arrangement entered into by the Company with related parties as referred to in section 188 in form AOC-2 is attached as **Annexure-2** of this report. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A policy on 'Related Party Transactions' has been devised by the Company which may be referred to at the Company's website at the weblink <http://starcement.co.in/wp-content/uploads/Related-Party-policy.pdf>.

### RESERVES

During the year under review no amount was transferred to reserves.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

#### (A) Steps taken toward Conservation of energy:

- Roller Press Roller ring welding, Tip plate maintained so that Cement Mill production rate increased. Due to that annual power saving 2 Kwh/Mt Cement.
- Cooler DBC (Deep Bucket Conveyor) all bucket replaced & Cooler ESP first chamber Emitting & collecting Plates replaced resulting saving of 1 Kwh/MT of Clinker.
- 10 Nos. of 800W HPSV Flood Light fitting replaced with 400W LED light fittings resulting saving of 0.175 lacs Kwh Per year.
- 600 Nos. of 70W HPSV well glass fitting replaced with 30W LED light fittings resulting saving of 1.05 lacs Kwh Per year.
- 20 Nos. of 400W HPSV flood Light fitting replaced with 100W LED light flood fittings resulting saving of 0.26 lacs Kwh Per year.
- 130 Nos. of 150W HPSV street Light fitting replaced with 60W LED street light fittings resulting saving of 0.56 lacs Kwh Per year.
- 80 Nos. of 250W HPSV street Light fitting replaced with 100W LED street light fittings resulting saving of 0.51 lacs Kwh Per year.
- Reducing transformer secondary voltage from 426V to 404V resulting saving of 0.219 lacs Kwh Per year
- Fixing of power contactor in Incoming supply of all VFD Drives including MV Drive Cooling fan to avoid inrush of high voltage after power resuming. Contactor can be made on from PLC / Manual mode, when drive is to be started. This results in reduction in failure of VFD Drives due to power surge and saves power as panel remain off during plant shutdown.
- All Plant Lighting is completely replaced by 30Watt LED Lights resulting in reduction in consumption by 35% which will save approximately ₹ 1,80,000 per month.
- Packer- 3 Bag filter Fan Installation of VFD in place of DOL starter resulting in reduction in power consumption which saves approximately ₹ 90,000 per month.

#### (B) Steps taken toward Technical Absorption:

- a. Steps taken towards Technical Innovation:-
  - i. For Packer spout motor protection. Single phase preventer is installed in all the 3 packers. This has reduced motor failure by 25%.
  - ii. Relocation of 220 KV power Line to GIS

Substation. This results in no voltage fluctuation and avoids tripping of main Line. This also resulted in ease of maintenance and better Protection of main power Line.

- iii. Installation of capacitor 50 kvar for improvement of power factor.
- b. Steps taken towards technical absorption:-
    - i. For smooth operation of cement mill Section, all Field JB 220 V control supply is replaced with normal TB to Fuse TB. This resulted in easy troubleshooting and reduced unwanted tripping of cement mill.
  - c. Steps taken towards technical adoption :-
    - i. HAG (Hot air generator) coffee pot damper was not getting operated during power failure. Replaced with double acting to single acting solenoid valve. This reduced failure of HAG Ignition Electrode and burner failure.
    - ii. Replacement of Composite cable by power cable of 3Cx2.5 sq. mm in Truck loader for Hassle free operation. Size of composite cable was very bulky and was getting stucked during operation.
    - iii. Drum motor is replaced with Gear motor, as drum motor mounting bracket was getting damaged frequently in Truck Loader Long belt.
      - The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems for quality improvement. During the year under review, your Company incurred Capital expenditure of ₹ 90.37 Lakhs (P.Y. ₹ 18.71 Lakhs) and Revenue Expenditure of ₹ 31.35 Lakhs (P.Y. ₹ 36.96 Lakhs) in Research & Development.

#### (C) Foreign Exchange Earnings And Outgo

During the period under review, Foreign Exchange Earning was NIL (Previous Year – NIL) and the Foreign Exchange Outgo was ₹ 43.22 Lakhs (Previous Year ₹ 35.55 Lakhs).

#### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

Star Cement Limited has always been at the forefront of voluntary CSR. The Company's CSR policy made it imperative to institutionalize the CSR activities. Your Company's social responsibility policy focuses on using the capabilities of neighbouring communities by improving quality and standard of lives and sustainable living, through contributions to local communities and society at large. With focus on creating

thriving conditions for the marginalised and underprivileged sections, the Company's CSR activities have transformed the standard of living, quality of life of the communities residing in the plant's functional and nearby areas. These goals have become achievable under the aegis of your Company and its affiliates. Your Company undertook various activities during the year 2020-21 under review in line with its CSR Policy.

### **SUSTAINABLE LIVELIHOOD AND SKILL BUILDING**

- Spice Cultivation Project for cultivation of Turmeric & Ginger has been implemented among 155 farmers of Mohitnagar, West Bengal location. Farmers have been trained in scientific methodology of cultivation procedure to enhance their skills in agri allied sectors.
- In Mohitnagar, West Bengal location an initiative has been taken up to generate a source of employment for the 100 unemployed youths by setting up a Livelihood Hub where youths as well as rural women can empower themselves by engaging themselves in various activities like Bio-floc Cultivation, Skill Building in Beautician Course, tailoring schools etc.
- Star Usha Tailoring and Embroidery School has been set up in Meghalaya (91 trainees), Assam (690 trainees) and in West Bengal (20 trainees) location in collaboration with USHA International Limited to offer skill enhancement training in tailoring, embroidery, cutting, knitting etc. to the rural women. Trainees who have successfully completed their courses have been earning a steady income throughout the year.
- A skill building course in Beautician has been implemented in collaboration with Indian Institute of Entrepreneurship (IIE, Guwahati) and District Administration of Meghalaya Government in Lumshnong village area to empower 53 girls and women of East Jayantia Hills.
- As a continuation of the previous project, fishery farmers were supported with fish seed and fish feed to enhance their incomes from sale proceeds thereof.
- Your Company also supported the weaving projects for generation of income of the local people.
- The Broom project had been initiated for preparation of broom in neighboring villages of Lumshnong plant with the help of user friendly device for making of brooms.
- Surobhi project was escalated in Sonapur by induction of new cattle, new beneficiaries, and artificial insemination resulting in increased milk production.
- Under Madhuban project, in Sonapur, Assam, bee keeping project is being sustained through maintenance of bee hives by a group of 100 farmers. Existing farmers are getting a steady secondary income generation. Inclusion of new farmers resulted in expansion and escalation of the implemented project. In West Bengal group of 140 farmers were supported with necessary equipment required for bee keeping.

### **HEALTH AND SANITATION**

- During the periods of crisis occurred due the out-burst of COVID-19 Company had taken a broad initiative for the community people of three locations i.e. Meghalaya, Assam and West Bengal. The basic amenities for that time like grocery items, nose masks and sanitizer were distributed among the neighbouring communities and front fighters and also donated an ambulance. The Company has also contributed at the PM Cares Fund.
- Series of general health checkup camps, periodic health camps were organised. Complete eye care programs i.e., from screening to surgeries etc. were undertaken in Assam and Meghalaya to ensure access of rural population to health care which benefitted people to diagnose health problems, availability of basic medicines at their doorstep. Financial assistance was provided to Eye Savers Trust and Guwahati Lions Eye Hospital.
- With an aim to make the projected areas Open Defecation Free, construction of 5 public toilet block in Assam, Meghalaya and West Bengal was in prime focus of the Company. Since last few years, around 15 public toilet blocks had been constructed for the neighbouring village people to reduce the occurrence of various infectious diseases and also to create personal hygienic and sanitation habits.
- Your Company has made facility for drinking water supply around 14 schools in Mohitnagar, West Bengal.
- Your Company had set up a waste management system in neighbouring villages of Meghalaya with a goal of implementing clean village concept and increase awareness about proper disposal of daily wastes.

### **EDUCATION**

- Your Company has been continuously supporting to promote One Teacher School (OTS) also known as the Ekal Vidyalaya project run by the Friends of Tribal Society (FTS) has been successfully educating the rural and tribal people of remote areas and made contributions to 'Kalyan Bharati Trust' for promoting education.
- Your Company had contributed for infrastructure development of the 10 Schools in nearby plant locations.
- Under patronage of your Company, since 2019, Kala Mandir is continuing to promote art and basic cultural habits among 240 rural children of Mohitnagar location under your Company's educational activities.
- A flagship project of your Company named as "Computer Education on Wheels" was initiated for LP and Middle school students of Assam. All new course curriculums have been designed by Guwahati IIT and same was translated into local language through which children and youths will be able to learn computer basic knowledge to fulfill daily needs.



### PROTECTION OF SITES OF HISTORICAL IMPORTANCE

- Your Company has contributed for protection of sites of historical importance.

### RURAL AND INFRASTRUCTURE DEVELOPMENT

- Since several past years your Company extended continuous support towards sustainable development of neighbouring communities. These include construction of several public utility areas, children park, approach and link roads, RCC bridges, auditorium, community hall, cremation ground etc., in Assam, Meghalaya and West Bengal.
- Your Company had installed 83 solar street lights in neighbouring areas of Assam and West Bengal.

### EMERGENCY RELIEF

- Your Company had provided necessary supports to the flood victims of Assam and West Bengal every year. Around 20,000 people of affected areas had been supported during the flood and post flood situation with grocery, food items, medical support, blanket etc. during the time of need.

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and marked **Annexure-3**.

### EVALUATION OF THE BOARD'S PERFORMANCE

In accordance with the requirements of the Companies Act 2013, the performance evaluation of the Board was carried out during the year under review. The Board follows a formal mechanism for the evaluation of the performance of the Board as well as Committee. The evaluation reflected the overall engagement of the Board and the Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The tenure of Mr. Sajjan Bhajanka, Mr. Rajendra Chamaria and Mr. Sanjay Agarwal, Managing Directors of the Company were due to expire on 31st March, 2021. The Board at its meeting held on 08th February, 2021, on the recommendations of Nomination and Remuneration Committee, re-appointed Mr. Sajjan Bhajanka, Mr. Rajendra Chamaria and Mr. Sanjay Agarwal as the Managing Directors of your Company for further period of three years with effect from 1st April, 2021 subject to necessary approvals of the shareholders at the ensuing Annual General Meeting

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Sanjay Agarwal will retire by rotation and being eligible, offer himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

### DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Listing Regulations. Mr. Pramod Kumar Shah, Mr. Santanu Ray, Mrs. Ibaridor Katherine War, Mrs. Plistina Dkhar and Mr. Amit Kiran Deb are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in section 149 of the Act and the Rules made thereunder and the Listing Regulations about their status as Independent Director of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General management, Accounts & Finance, Audit, Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company. Regarding proficiency, all Independent Directors have registered themselves in the Data Bank maintained with the Indian Institute of Corporate Affairs (IICA), Manesar. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self- assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. Mr. Santanu Ray, Mr. Amit Kiran Deb (w.e.f. 01st April, 2020), Mrs. Ibaridor Katherine War, Mrs. Plistina Dkhar, Independent Directors are exempted from qualifying 'online proficiency test' due to their relevant experience in listed companies and the Companies with Paid up equity Capital is ₹ 10 Crore and more. Mr. Pramod Kumar Shah was appeared in 'online proficiency test' within the period of 1 (one) year from the date of inclusion of his name in the data bank and has successfully qualified the test.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarisation programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarisation program is available on the Company's website under the web link: <https://starcement.co.in/wp-content/uploads/Familiarization-Programme.pdf>

### **SUBSIDIARIES AND ASSOCIATE COMPANY**

M/s. Star Cement Meghalaya Limited, M/s. Megha Technical & Engineers Private Limited, M/s. Meghalaya Power Limited, M/s. NE Hills Hydro Limited and M/s. Star Century Global Cement Private Limited continue to remain subsidiaries of the Company.

Further, M/s. Star Cement Lumshnong Limited and M/s. Star Cement North East Limited have been incorporated as the wholly owned subsidiary companies which are yet to commence its operations.

Star Cement Meghalaya Limited is engaged in manufacturing of Cement Clinker and has a Clinkerisation plant with an installed capacity of 1.75 MTPA. During the year under review, the Company manufactured 14,75,660 MT of clinker as against 16,42,975 MT in FY 19-20.

Megha Technical & Engineers Private Limited is engaged in the manufacture of cement. During the year under review, the Company produced 1180 MT of Cement.

Meghalaya Power Limited, a wholly-owned subsidiary, is engaged in generation of Power. During the year under review the Company generated 129 Mn units of power.

NE Hills Hydro Limited, wholly owned subsidiary of your Company is currently not operational.

Star Century Global Cement Private Limited a wholly-owned subsidiary in Myanmar is yet to commence its operations.

### **CHANGES IN NATURE OF BUSINESS, IF ANY**

There has not been any change in the nature of business.

### **AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES**

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement for the year ended 31st March, 2021 for each of the Company's subsidiaries viz. Star Cement Meghalaya

Limited (SCML), Megha Technical & Engineers Private Limited (MTEPL), Meghalaya Power Limited (MPL), NE Hills Hydro Limited (NHHL) and Star Century Global Cement Private Limited (SCGCPL) are annexed in the Form AOC – 1 and marked as **Annexure-4**.

### **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company have been prepared in accordance to requirements of Indian Accounting Standards, as prescribed by the Institute of Chartered Accountants of India and has been included as a part of this Annual Report.

The detailed financial statements and audit reports of each of the subsidiaries of the Company are available for inspection at the Registered Office of the Company during office hours between 11 A.M. and 1 P.M. The Company will arrange to send the financial statements of the subsidiaries upon written request from a shareholder to the registered address of the said shareholder.

### **DEPOSITS**

During the year under report, the Company has not accepted any deposits from public or from any of the Directors of the Company or their relatives falling under ambit of Section 73 of the Companies Act, 2013.

### **SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS**

- (i) The Director of Mineral resources, Meghalaya, Shillong vide its Demand notice dated 19th February, 2020 raised a demand against the Company for payment of royalty, MEPRF, VAT/GST for an amount of ₹ 4184.06 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110 (THC)/2012 against the Company and other Cement and Power Companies in Meghalaya for alleged illegal coal procurement.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government departments. The report of NGT Committee has been founded on the basis of assumptions and not on hard facts. The Company backed by the legal opinions, believed that it has a good case in the matter as the said order was issued on the basis of certain hypothetical assumptions and without giving any opportunity of being heard to the Company.

Accordingly, the Company has preferred an appeal before the Appex Court and accordingly no provisions has been made in the accounts. (Refer Note no. 44b of Notes to Accounts).

- (ii) In respect of receipt of differential excise duty amounting to ₹ 2931.36 Lakhs by the Company and the

subsequent rejection of Review Petition by the Supreme Court of India filed by some of the Petitioners against its judgement dated 22.04.2020 in the matter of Union of India Vs. M/s. V.V.F. Limited & Others, the Company has refunded 50% of differential excise duty amounting to ₹ 1466.23 Lakhs which was received by the Company in previous years for which demand letter was issued and also provided balance 50% amounting to ₹ 1465.13 Lakhs. (Refer Note no. 45a of Notes to Accounts).

- (iii) In respect of demand letter received from Central Excise authority for refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 566.05 Lakhs, the Company has filed a writ petition before the Hon'ble Meghalaya High Court for quashing of demand notice, the Meghalaya High Court has stayed the said demand notice matter is now sub-judice and therefore, no provision have been taken in the books of account. (Refer Note no. 44a of Notes to Accounts).

Other than the aforesaid, there have been no significant and material orders passed by the Courts/ Regulators impacting the going concern status and future operations of the Company.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

#### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

#### **DETAILS OF SIGNIFICANT CHANGES (I.E., CHANGES OF 25% OR MORE) IN KEY FINANCIAL RATIO AND CHANGE IN RETURN ON NETWORTH ALONGWITH DETAILED EXPLANATIONS**

Key Financial ratios	F. Y. 2020-21	F.Y. 2019-20	% change	Explanation for Significant Changes
Debtors Turnover ratio	13.98	15.10	(7.40)	NA
Inventory Turnover ratio	12.79	14.12	(9.42)	NA
Interest Coverage ratio	17.07	13.83	23.42	NA
Current ratio	2.27	2.69	(15.59)	NA
Debt Equity ratio	0.09	0.13	(29.22)	Due to partial repayment of unsecured loan in the current fiscal year
Operating Profit Margin (%)	11.61	13.67	(15.07)	NA
Net Profit Margin (%)	9.45	12.33	(18.29)	NA
Return on Net Worth	0.12	0.20	(36.96)	Refund / Reversal of receivable on account of differential excise duty followed by the judgement of Hon'ble Apex Court

#### **CREDIT RATINGS**

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. ICRA Limited, has reaffirmed the Company's short term rating to [ICRA]A1+ (pronounced ICRA A one plus) and the long term rating to [ICRA]AA- (pronounced as ICRA double A minus). The outlook on the long term rating is 'Stable'.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Board of Directors of the Company on the recommendation of the Audit Committee, re-appointed M/s. Anita Sahal & Associates, Chartered Accountants, as the Internal Auditors of the Company for the FY 21-22 under section 138 of the Companies Act, 2013. M/s. Anita Sahal & Associates, have confirmed about their re-appointment. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations, if any, along with corrective actions thereon are presented to the Audit Committee of the Board.

## MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with a statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure-5** and forms part of this report.

## POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act") and has constituted the Committee with internal and external members. We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

## CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated under the Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI). A separate section on corporate governance, along with a certificate from the auditors confirming the compliance, is annexed and forms part of the Annual Report. This certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

## CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Regulation 17(8) of the Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI), the CEO/ CFO certification has been submitted to the Board and a copy thereof is contained in this Annual Report.

## RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

## HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

Human Resource (HR) supports and upholds Star Cement's overall goals, vision & mission by fostering a positive and engaging work environment. HR ensures that employees are engaged and motivated to help the Company succeed.

Year 2020-21 was full of challenges as we entered into a 'new normal' due to the pandemic. Ever since we have seen the outbreak of COVID-19 pandemic, the organisation has been extremely proactive in managing the crisis and ensuring the safety and wellbeing of its employees. Standard Operating Procedures (SOPs) for all Plant and Non Plant locations along with task force were formed to enforce the COVID Protocols in the workplace. Protocols in the workplace have ensured business continuity even in difficult times. Location HRs ensured that in difficult times during lockdown employees do not get stressed and periodic virtual/ telephonic conference calls were organised to understand their issues and challenges. Employees were paid on time and no salary and job cuts were imposed. Retaining contract labour during the pandemic was a great challenge, which was done successfully.

Employee connect activities were also undertaken in phased manner maintaining protocols and themes which kept employees engaged, aware and happy. For example: Independence Day in corporate office was celebrated maintaining "SMS" (Sanitiser, Mask and Social distance) as theme and employees pledged to abide by the same.

Under the current situation of pandemic, HR partnering role became even more important. With proactive employee centric initiatives and gestures HR has taken great stride in making Star Cement an employee friendly organisation. Business were supported through effective partnering in HR operational matters on real time basis and resolving issues with empathy and within laid down guidelines/ policies. Quality talent hiring were also initiated both at leadership and operational levels to ensure business continuity. HR & IR interventions played a pivotal role in ensuring seamless production and despatch from plants by maintaining safety protocols.

Talent acquisition, management and partnering processes are relooked into with an objective to develop a strong employer value proposition and enhance the brand awareness and reputation.

As Star Cement embarked on a new journey by commissioning its new grinding unit at Siliguri, HR played an important role by providing required manpower support.

Our dedicated Human Capital have transformed its practices from transactional to strategic, from administration to



business partnering, from hiring to developing/counselling and retaining, thus contributing in the making of Star Cement as one of the most sought-after places to work in the cement sector in Eastern India.

Industrial Relations have been effective with several interventions & good practices.

During the year under review, there has not been any material changes in human resources and industrial relations.

### **AWARDS AND ACCOLADES**

During the year under review, your Company was felicitated with the prestigious SCALE 2020 (Supply Chain and Logistics Excellence) award by the Confederation of Indian Industry (CII) for outstanding achievement in the cement category—driving innovation and transformation consistently for the second consecutive year.

### **GREEN INITIATIVES IN CORPORATE GOVERNANCE**

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders, wherever applicable.

Pursuant to the MCA and SEBI circulars, in view of the prevailing situation of the Pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the 20th AGM and the Annual report of the Company for the financial year ended 31st March, 2021 are being sent only by email to the Members.

### **CAUTIONARY STATEMENT**

Statements in this report describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and

regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in Government policies and tax laws, economic development of the country, potential impact of the ongoing COVID-19 pandemic and related public health issues on economy of country, our business, the businesses of our customers, vendors and partners and other factors which are material to the business operations of the Company.

### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their deep sense of gratitude to Banks, Central and State Governments and their departments and the local authorities, customers, vendors, business partners/associates for their continued guidance and support.

The Directors regret the loss of life due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them. Last but not least, your Directors express their gratitude to the shareholders of the Company for reposing their confidence and faith in the Management of the Company.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 9th June, 2021

**Sajjan Bhajanka**  
*Chairman*  
(DIN: 00246043)

**Annexure - 1**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,

**STAR CEMENT LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STAR CEMENT LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

- a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015
- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e) The Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
- i) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) Other than fiscal, labour and environmental laws, which are generally applicable to all manufacturing companies, the following laws/acts are specifically applicable to the Company:
  - a) The Air (Prevention & Control of Pollution) Act 1981;
  - b) The Water (Prevention & Control of Pollution Act) 1974;
  - c) The Environment Protection Act, 1986;
  - d) The Petroleum Act, 1934;
  - e) The Legal Metrology Act, 2009;
  - f) The Mines & Minerals (Development and Regulation) Act, 1957;
  - g) The Mines & Minerals (Contribution to District Mineral Foundation) Rules, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines,

Standards, etc. mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance

with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has passed special resolution for appointment of Mr. Amit Kiran Deb (DIN: 02107792) as an Independent Director for a period of five years from 1st April, 2020 to 31st March, 2025.

This report is to be read with our letter of even date which is annexed as **Annexure-I** which forms an integral part of this report.

**For MKB & Associates**  
Company Secretaries  
Firm Reg. No.: P2010WB042700

**Raj Kumar Banthia**  
[Partner]

Date: 09th June, 2021  
Place: Kolkata  
UDIN: A017190C000436477

Membership no. ACS 17190  
COP no. 18428

#### Annexure- I

To

The Members,

#### **STAR CEMENT LIMITED**

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations, guidelines and directions and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

*Note: Due to continuing Covid-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.*

**For MKB & Associates**  
Company Secretaries  
Firm Reg. No.: P2010WB042700

**Raj Kumar Banthia**  
[Partner]

Date: 09th June, 2021  
Place: Kolkata  
UDIN: A017190C000436477

Membership no. ACS 17190  
COP no. 18428

**Annexure - 1A**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,

**STAR CEMENT MEGHALAYA LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STAR CEMENT MEGHALAYA LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder [Not applicable to the Company during the audit period];
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI were not applicable.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
  - a) The Environment (Protection) Act, 1986
  - b) The Water (Prevention and Control of Pollution) Act, 1974
  - c) The Air (Prevention and Control of Pollution) Act, 1981
  - d) The Legal Metrology Act, 2009
  - e) The Petroleum Act, 1934
  - f) The Mines And Minerals (Development And Regulation) Act, 1957

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.



We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has passed Special Resolution for re-appointment of Mr. Prem Kumar Bhajanka (DIN: 00591512) as the Managing Director of the Company

This report is to be read with our letter of even date which is annexed as Annexure – I which forms an integral part of this report.

**For MKB & Associates**  
Company Secretaries  
Firm Reg. No.: P2010WB042700

**Raj Kumar Banthia**  
[Partner]

Date: 08th June, 2021

Place: Kolkata

UDIN: A017190C000434970

Membership No. ACS 17190

COP no. 18428

#### Annexure- I

To

The Members,

#### **STAR CEMENT MEGHALAYA LIMITED**

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*Note: Due to continuing Covid-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.*

**For MKB & Associates**  
Company Secretaries  
Firm Reg. No.: P2010WB042700

**Raj Kumar Banthia**  
[Partner]

Date: 08th June, 2021

Place: Kolkata

UDIN: A017190C000434970

Membership No. ACS 17190

COP no. 18428

**Annexure - 2**  
**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

All transactions entered into by the Company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship –

Star Cement Meghalaya Limited, Subsidiary Company

(b) Nature of contracts/arrangements/transactions –

(i) Sale, purchase or supply of any goods or materials [Section 188(1)(a) of Companies Act, 2013]

(ii) Availing and Rendering of Services [Section 188(1)(d) of Companies Act, 2013]

(c) Duration of the contracts / arrangements / transactions –

On-going transaction (Continuous)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The transaction with Star Cement Meghalaya Limited includes:

(i) Purchase of Clinker, River Sand, Coal, Store and Spares Materials, Fixed Asset Items

(ii) Sale of Iron Ore, Sand Stone, Store and Spare Materials, Cement, Limestone and Fixed Asset Items

(iii) Services Received

The transaction value for the FY 2020-21 with Star Cement Meghalaya Limited was ₹ 69,004.10 Lakhs.

(e) Date(s) of approval by the Board, if any:

Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.

(f) Amount paid as advances, if any: NIL

**For and on behalf of the Board of Directors**

**Sajjan Bhajanka**  
Chairman  
(DIN: 00246043)

Place: Kolkata  
Date: 9th June, 2021

### Annexure - 3

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

#### 1. A brief outline on the Company's CSR policy:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 as and when amended. Your Company's CSR strategy ensures compliance with ethical standards in business practices; minimising environmental impacts and waste; addresses the challenges of improved access to education, health, sports, drinking water, sanitation and livelihood opportunities; and helping underprivileged communities to become resilient and self-reliant.

#### 2. The composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Agarwal	Chairman (Non-Executive Director)	1	1
2	Mr. Sajjan Bhajanka	Member (Non-Executive Director)	1	1
3	Mr. Santanu Ray	Member (Independent Director)	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

The Composition of CSR Committee, CSR Policy and CSR projects as approved by the Board are available on the Company's website under the following weblink:

CSR Committee – <https://starcement.co.in/wp-content/uploads/Board-Committee-Structure.pdf>

CSR Policy – <https://starcement.co.in/wp-content/uploads/CSR-Policy-2021-1.pdf>

CSR Projects - NOT APPLICABLE

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

NOT APPLICABLE

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NOT APPLICABLE

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			
	<b>Total</b>		

#### 6. Average Net Profit of the Company for last 3 financial years: ₹ 25,292.16 Lakhs

#### 7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 505.84 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 505.84 Lakhs

#### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 611.02 Lakhs	NIL				

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current Financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Education - Through One Teacher school (O.T.S.) i.e. Ekal Vidyalaya and Kalyan Bharti Trust	Item No. (ii) - Promoting Education	No	Throughout the Country		139.50	Yes	Not Applicable	
2.	Education - Digital Literacy, Promotion of Art, Music, Dance school and development of school infrastructure	Item No. (ii) - Promoting Education	Yes	Meghalaya, Assam and West Bengal	Lumshnong, Sonapur and Mohitnagar	38.20	No	Lumshnong Village Local Area Welfare Trust and Star Cement Charitable Trust	CSR 00004263 and CSR 00004262
3.	Health & Sanitation	Item No. (i) - Promoting health care including preventive health care, sanitation programs and organizing medical camps	Yes	Meghalaya, Assam and West Bengal	Lumshnong, Sonapur and Mohitnagar	208.19	Yes	Lumshnong Village Local Area Welfare Trust and Star Cement Charitable Trust	CSR 00004263 and CSR 00004262
4.	Protection of sites of Historical importance	Item No. (v) - Protection of sites of Historical importance	No	Uttar Pradesh	Ayodhya	100.00	Yes	Not Applicable	



5.	Rural and Infrastructure Development	Item No. (x) - Rural & Infrastructure Development	Yes	Meghalaya, Assam and West Bengal	Lumshnong, Sonapur and Mohitnagar	40.92	No	Lumshnong Village Local Area Welfare Trust and Star Cement Charitable Trust	CSR 00004263 and CSR 00004262
6.	Relief to Flood affected people	Item No. (xii) - Disaster Relief	Yes	Assam and West Bengal	Sonapur and Mohitnagar	5.09	No	Star Cement Charitable Trust	CSR 00004262
7.	Enhancing vocational skills	Item No. (ii) - Livelihood enhancement	Yes	Meghalaya, Assam and West Bengal	Lumshnong, Sonapur and Mohitnagar	79.12	No	Lumshnong Village Local Area Welfare Trust and Star Cement Charitable Trust	CSR 00004263 and CSR 00004262
<b>Total</b>						<b>611.02</b>			

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 611.02 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	505.84
(ii)	Total amount spent for the Financial Year	611.02
(iii)	Excess amount spent for the financial year [(ii)-(i)]	105.18
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	105.18

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹)
NIL					

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
NIL								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquire through CSR spent in the financial year (asset-wise details). – Not Applicable**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). – Not Applicable**

Place : Kolkata  
 Date: 09th June, 2021

**Sanjay Kumar Gupta**  
 Chief Executive Officer

**Sanjay Agarwal**  
 Chairman – CSR Committee

**Annexure - 4**  
**ANNEXURE TO DIRECTORS' REPORT**  
**FORM AOC -1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

**Part "A": Subsidiaries**

(₹ in Lakhs)

Sl. No.	Name of the subsidiary	Megha Technical & Engineers Pvt Ltd	Star Cement Meghalaya Ltd	Meghalaya Power Ltd	Star Century Global Cement Pvt Limited	NE Hills Hydro Ltd
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A
3	Share capital	2,734.64	2,981.78	1,713.06	20.03	7.00
4	Other Equity	27,080.69	68,898.94	12,808.42	(3.53)	23.24
5	Total assets	30,082.84	82,268.48	21,085.10	22.13	30.95
6	Total Liabilities	30,082.84	82,268.48	21,085.10	22.13	30.95
7	Investments	9,322.91	-	-	-	27.54
8	Turnover	14.48	58,954.09	11,963.60	-	-
9	Profit before taxation	(1,347.18)	3,787.56	215.76	(0.65)	(0.19)
10	Provision for taxation	(382.31)	3.28	59.59	-	-
11	Profit after taxation	(964.87)	3,784.28	156.17	(0.65)	(0.19)
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100.00	87.49	100.00	100.00	100.00

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations : NE Hills Hydro Limited and Star Century Global Cement (P) Ltd.
- Names of subsidiaries which have been liquidated or sold during the year : N.A.

**Part "B": Associates and Joint Ventures**

The Company does not have Associate/Joint Venture, hence, the requirements under this part is not applicable to the Company.

For and on behalf of the Board

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

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

Place : Kolkata  
Date: 9th June, 2021

**Debabrata Thakurta**  
Company Secretary

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171

## Annexure - 5

### PARTICULARS OF MANAGERIAL REMUNERATION

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees and percentage increase in remuneration of the Directors and Key Managerial Personnel of the Company for the financial year:

Name of Directors & Key Managerial Personnel	Designation	Percentage Increase in Remuneration	Ratio to median remuneration**
Mr. Sajjan Bhajanka	Managing Director	NIL	50.00:1
Mr. Sanjay Agarwal	Managing Director	NIL	50.00:1
Mr. Rajendra Chamaria	Managing Director	NIL	76.82:1
Mr. Pankaj Kejriwal	Non-Executive Director	NA	NA
Mr. Prem Kumar Bhajanka	Non-Executive Director	NA	NA
Mr. Amit Kiran Deb	Independent Director	NA	NA
Mr. Pramod Kumar Shah	Independent Director	NA	NA
Mr. Santanu Ray	Independent Director	NA	NA
Mrs. Ibaridor Katherine War	Independent Director	NA	NA
Mrs. Plistina Dkhar	Independent Director	NA	NA
Mr. Sanjay Kumar Gupta	Chief Executive Officer	5.73	-
Mr. Manoj Agarwal	Chief Financial Officer	0.74	-
Mr. Debabrata Thakurta	Company Secretary	Nil	-

\*\* None of the Non-Executive Directors receive any remuneration from the Company and the Independent Directors are paid only sitting fees for attending the meeting of the Board or Committee thereof.

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: 3.67%
- (iii) The number of permanent employees on the roll of the Company : 703
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of non-managerial employees in the FY 2020-21 was 9% while the average percentile increase in the Managerial remuneration for Mr. Sajjan Bhajanka, Mr. Rajendra Chamaria and Mr. Sanjay Agarwal was NIL.

- (v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



**Statement of Particulars of Employees pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Sanjay Kumar Gupta	Chief Executive Officer	200.64	Permanent	CA, CWA	25	10.03.2003	51	Vinay Cement Limited	0.01	None
2	Mr. Jyoti Swaroop Agarwal	President - Sales & Marketing	154.23	Permanent	M.Com	38	27.03.2006	61	Ambuja Cement	NIL	None
3	Mr. Murali Krishna Garneni	Chief Manufacturing Officer	139.51	Permanent	Dip (Mech), AMIE	36	06.11.2019	58	Penna Cement	NIL	None
4	Mr. Manoj Agarwal	Chief Financial Officer	71.83	Permanent	CA, CS, LLB	25	27.07.2009	49	Reliance Retail Limited	0.00	None
5	Mr. Surya Prakash Shrimali	Assistant Vice President	64.55	Permanent	B. Sc.	40	10.12.2008	65	ZPCL, Zambia (South Africa)	NIL	None
6	Mr. Sudipto Mandal	Vice President – Human Resource	63.56	Permanent	MBA	22	01.02.2020	50	ZEISS	NIL	None
7	Mr. Shouvik Chakraborty	Senior General Manager - Sales	62.84	Permanent	BE; MBA	21	01.09.2010	44	Adhunik Cement Limited	NIL	None
8	Mr. Mukesh Saxena	Vice President	60.39	Permanent	B.E. Mechanical	28	20.02.2012	54	A.B.G.Cement Ltd.	NIL	None
9	Mr. Sachin Chamaria	Executive Director- Business Development (not a member of Board)	60.00	Permanent	B.com (Hons.)	9	01.01.2013	31	-	2.40	Son of Mr. Rajendra Chamaria
10	Mr. Rahul Chamaria	Executive Director- Technical (not a member of Board)	60.00	Permanent	B.E. Mechanical	12	01.04.209	35	-	1.65	Son of Mr. Rajendra Chamaria

For and on behalf of the Board

**Sajjan Bhajanka**  
Chairman  
DIN:00246043

Date: 9th June, 2021  
Place : Kolkata

# REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2020-21

The Directors present the Company's Report on Corporate Governance:

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company at large and its stake holders. It emphasizes the need for full transparency, accountability and compliances with laws and regulations in all its transactions and interactions with its stakeholders, employees, lenders and the Government etc., without compromising the environment and health of society at large. Your Company has complied with the requirements of Corporate Governance as laid down under SEBI Regulations.

## BOARD OF DIRECTORS

### Composition

As on the date of this report, the Board consists of ten Directors, including and headed by an Executive Chairman,

two Executive Directors, two Non-Executive Directors and five Independent Directors out of which two are women Directors. The Board members are expert in different disciplines of corporate working. The Independent Directors are expert professionals with high credentials and actively contribute in the deliberations of the Board.

None of the Directors is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees. Further, none of the Directors is a member of the Board in more than seven listed entities and Independent Directors of the Company are not serving as an Independent Director in more than seven listed entities. None of the Managing Directors of the Company are serving as an Independent Director in not more than three listed entities.

Mr. Sanjay Kumar Gupta is the Chief Executive Officer and Mr. Manoj Agarwal is the Chief Financial Officer of the Company.

The Composition is as provided below:

Name of the Director	Designation	Category
Mr. Sajjan Bhajanka	Chairman & Managing Director	Promoter – Executive
Mr. Rajendra Chamaria	Vice-Chairman & Managing Director	Promoter – Executive
Mr. Sanjay Agarwal	Managing Director	Promoter – Executive
Mr. Prem Kumar Bhajanka	Director	Promoter – Non-Executive
Mr. Pankaj Kejriwal	Director	Non – Executive – Non-Independent
Mr. Amit Kiran Deb *	Director	Independent
Mr. Santanu Ray	Director	Independent
Mrs. Plistina Dkhar	Director	Independent
Mrs. Ibaridor Katherine War	Director	Independent
Mr. Pramod Kumar Shah	Director	Independent

\* Mr. Amit Kiran Deb was appointed as an additional director in independent category w.e.f. 01.04.2020, which was subsequently regularized as an Independent Director at the AGM held on 29th September, 2020.

### Directorship, Committee membership and Chairmanship

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) and Committee Chairmanship/ name of listed entities where he/she is a Director and category of Directorship as on date of this report are provided herein below:

Name of the Director	Number of Directorship of Public Limited Companies*	Number of Membership including Chairmanship of Board Committee(s)**	Name of listed entities where he/she is a Director and category of Directorship
Mr. Sajjan Bhajanka	7	4	1. Century Plyboards (India) Limited - Managing Director 2. Shyam Century Ferrous Limited – Non – Independent Director
Mr. Sanjay Agarwal	7	1	1. Century Plyboards (India) Limited - Managing Director 2. Linc Pen & Plastics Ltd. – Independent Director
Mr. Rajendra Chamaria	2	-	-
Mr. Prem Kumar Bhajanka	6	-	Century Plyboards (India) Limited - Executive Director
Mr. Pankaj Kejriwal	3	-	-
Mr. Amit Kiran Deb	10	8 (4 as Chairman)	1. Century Plyboards (India) Limited - Independent Director 2. Skipper Limited – Independent Director 3. Emami Limited – Independent Director 4. B & A Limited - Independent Director
Mr. Santanu Ray	9	10 (4 as Chairman)	1. Century Plyboards (India) Limited - Independent Director 2. LA Opala R G Limited – Independent Director 3. Shyam Century Ferrous Limited – Independent Director 4. SKP Securities Limited – Independent Director 5. Genesis Export Limited – Independent Director 6. Bharat Road Network Limited – Independent Director
Mrs. Plistina Dkhar	4	-	Shyam Century Ferrous Limited – Independent Director
Mrs. Ibaridor Katherine War	1	-	-
Mr. Pramod Kumar Shah	10	10 (5 as Chairman)	1. Emami Frank Ross Limited - Independent Director 2. Skipper Limited – Independent Director 3. Shyam Century Ferrous Limited – Independent Director

\* Includes Private Limited Companies which are subsidiaries of Public Limited Companies, Unlimited Liability Companies, Companies registered under Section 8 of the Companies Act, 2013, Membership of Managing Committees of Chambers of Commerce/Professional Bodies but excludes Foreign Companies.

\*\* Only Audit Committee and Stakeholders' Relationship Committee have been considered as per SEBI Regulations.

**The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors :-**

Industry, Leadership, Accounts & Finance, Taxes, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Risks, Administration and General Management, Board procedures and Governance.

**List of Directors possessing the skills/expertise and competencies:**

<b>Name of Directors</b>	<b>Skills/Expertise and Competencies</b>
Mr. Sajjan Bhajanka	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance
Mr. Sanjay Agarwal	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance.
Mr. Rajendra Chamaria	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance
Mr. Prem Kumar Bhajanka	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Sales, Marketing, Branding, Board procedures and Governance.
Mr. Pankaj Kejriwal	Industry, Leadership, Production, Technical, Logistics, Legal, Sales, Marketing, Risk, Board procedures and Governance.
Mr. Amit Kiran Deb	Administration, General management, Accounts & Finance, Risk, Board procedures and Governance
Mr. Santanu Ray	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures, Governance etc.
Mrs. Plistina Dkhar	Administration and General management, Board procedures, Governance etc.
Mrs. Ibaridor Katherine War	Administration and General management, Board procedures, Governance, Legal etc.
Mr. Pramod Kumar Shah	Accounts & Finance and Audit & Internal Audit, Taxation, Risk, Board procedures, Governance etc.

**In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the listing regulations and are independent of the management.**

**Board Meetings and Procedures**

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company apart from normal business. The Board generally meets at least once every quarter to review the Quarterly results. Additional meetings are held as and when necessary.

All the meetings are scheduled well in advance and notices are sent to all the Directors at their address registered with the Company. In case a meeting is called at shorter notice to transact urgent business, requirements of Section 173(3) are complied with. The agenda of the meeting are backed by necessary supporting information and documents to

enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman and consent of the members. Drafts minutes of the proceedings of the Board/Committee Meetings are circulated in advance and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.



### Number and dates of Board Meetings held during the year

Four (4) Board Meetings were held during the Financial Year 2020-21 and the gap between two meetings did not exceed 120 days. The Meetings were held on 25th June, 2020; 11th August, 2020; 11th November, 2020 and 08th February, 2021. The attendance at the Board Meetings during the financial year 2020-21 and at the previous Annual General Meeting is as under:

Name of Director	No. of Board Meeting Attended	Last AGM Attended
Mr. Sajjan Bhajanka	4	Yes
Mr. Sanjay Agarwal	4	Yes
Mr. Rajendra Chamaria	4	Yes
Mr. Pankaj Kejriwal	4	Yes
Mr. Prem Kumar Bhajanka	4	Yes
Mr. Santanu Ray	4	Yes
Mrs. Plistina Dkhar	1	No
Mrs. Ibaridor Katherine War	1	No
Mr. Pramod Kumar Shah	4	Yes
Mr. Amit Kiran Deb	4	Yes

### Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 12th March, 2021 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

### Induction and Familiarization Program for Directors

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc. The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with the Chairman, CEO and other heads of the Company. Efforts are made to familiarize the Directors about their roles, rights, and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments in the business. The details of the Director's induction and familiarization are available on the Company's website at <https://starcement.co.in/wp-content/uploads/Familiarization-Programme.pdf>

### Performance Evaluation

Pursuant to the provisions of the Companies Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees. A structured questionnaire for evaluation was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The performance evaluation of the Chairman and the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. The Directors expressed their satisfaction over the evaluation process.

### Resume of Directors proposed to be re-appointed/appointed

The brief resume of Directors retiring by rotation and seeking re-appointment/appointment is appended in the notice convening the ensuing Annual General Meeting.

### COMMITTEES OF THE BOARD

Currently, the Board has six committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Finance Committee and Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### AUDIT COMMITTEE:

The Audit Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely, and proper disclosures and transparency, integrity and quality of

financial reporting.

The terms of reference of the Audit Committee are broadly inter alia as follows:

- i. 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;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. 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
  - 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. modified opinion(s) in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. 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;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. 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;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. 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;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. 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;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. 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;
- xx. To review utilization of loans and/ or advances by holding company in subsidiary companies exceeding ₹ 100.00 Crore or 10% of asset size of subsidiary whichever is lower.
- xxi. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### **Composition, number of Meetings and Attendance**

The Audit Committee met four (4) times during the Financial Year 20-21. The Audit Committee's composition meets with requirements of Section 177 of the Compa-

nies Act, 2013 and the Listing Regulations. Members of the Audit Committee possess financial /accounting expertise/exposure. The Committee was chaired by Mr. Amit Kiran Deb, who was appointed as an independent director of the Company and as the Chairman of the Audit Committee w.e.f. 01st April, 2020. The meetings were held on 25th June, 2020; 11th August, 2020; 11th November, 2020 and 08th February, 2021. The composition of the Audit Committee and the details of meetings attended by the Directors are as under:

Name	Category	No. of Committee Meetings Attended
Mr. Amit Kiran Deb	Chairman - Independent, Non-Executive	4
Mr. Pramod Kumar Shah	Member – Independent, Non-Executive	4
Mr. Sajjan Bhajanka	Member - Non-Independent, Executive	4

Audit Committee meetings are attended by the Chief Financial Officer of the Company and Representatives of Statutory Auditors and Internal Auditors, are invitees for the relevant meetings. The Company Secretary acts as the Secretary of the Audit Committee.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee determines on behalf of the Board and shareholders as per agreed term of reference, the Company's policy on specific remuneration packages for Executive Directors, Key Managerial Personnel and other employees. The Chairman of the Committee is an Independent Director and the Members on the Committee are Non-Executive Directors.

The broad terms of reference of the Committee inter alia are as follows:

- 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;
- Formulation of criteria for evaluation of performance of Directors
- Devising a policy on Board diversity;
- 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;

- Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- To recommend all remuneration payable to Senior Management in whatever form.

#### **Remuneration Policy**

The Company has formulated a remuneration policy with a focus on attracting talent and rewarding performance based on review of achievements.

The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**"). The expression "senior management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

The remuneration to be paid to the Executive Directors is recommended by the Nomination & Remuneration Committee based on the Net Profits of the Company which are then approved by the Board of Directors of the Company and the Shareholders of the Company in their respective meetings. The remuneration paid to the Executive Directors was determined and based on the industry benchmark, performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their performance expertise in their individual capacity as individual Professionals/Business Executives. Independent Non-Executive Directors are paid sitting fees for attending each Board and Committee Meetings.

The appointment of the Executive Directors, if any is governed by the resolutions passed by the Board and shareholders. The service agreement is entered into with them. There is no provision for payment of severance fee under the resolutions governing appointment of Executive Directors. A notice period of three months is required to be given by the Executive Director seeking to vacate the office.

The Company has no stock option plans and such option is not included in the remuneration package. During the year under review, none of the Directors was paid any bonus, pension or performance bonus. Formal appointment letter is issued to the Independent Directors and the terms and conditions of the appointment of Independent Directors is available on the website of the Company. The Nomination & Remuneration Committee to recommend all remuneration payable to the Senior Management.

The Remuneration Policy of the Company is available on the Company's website at: <https://starcement.co.in/wp-content/uploads/Remuneration-Policy.pdf>

#### Composition, number of Meetings and Attendance

The composition of the Nomination and Remuneration Committee is in accordance with the regulatory requirements specified by Section 178 of the

Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as Secretary to the Committee. The Remuneration Committee meetings were held on 25th June, 2020 and 08th February, 2021 during the FY 2020-21.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are as under:

Name	Category	No. of Committee Meetings Attended
Mr. Amit Kiran Deb	Chairman - Independent, Non-Executive	2
Mr. Pramod Kumar Shah	Member – Independent, Non-Executive	2
Mr. Prem Kumar Bhajanka	Member - Non-Independent, Executive	2

#### Remuneration paid to the Directors:-

The details of remuneration paid to Directors for the FY 2020-21 is provided below:

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fees (₹)	No. of Shares held as on 31.03.2021
1.	Mr. Sajjan Bhajanka	Chairman & Managing Director	1,98,00,000	-	4,68,31,636
2.	Mr. Sanjay Agarwal	Managing Director	1,98,00,000	-	1,70,45,480
3.	Mr. Rajendra Chamaria	Vice - Chairman & Managing Director	3,04,20,000	-	1,98,91,358
4.	Mr. Prem Kumar Bhajanka	Director	-	-	3,77,18,954
5.	Mr. Pankaj Kejriwal	Director	-	-	1,00,640
6.	Mr. Amit Kiran Deb	Independent Director	-	1,85,000	-
7.	Mr. Santanu Ray	Independent Director	-	1,35,000	-
8.	Mrs. Plistina Dkhar	Independent Director	-	25,000	997
9.	Mr. Pramod Kumar Shah	Independent Director	-	1,95,000	-
10.	Mrs. Ibaridor Katherine War	Independent Director	-	25,000	-

None of the Directors of the Company / Key Managerial Personnel had any pecuniary relationship with the Company during the year.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Board has constituted "Stakeholders Relationship Committee".

The Committee's responsibility is to oversee Share Transfers and addressing to and redressal of shareholders' grievances etc. The Committee also evaluates performance

and service standards of the Registrar and Share Transfer Agents of the Company.

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

- Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
- 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.

- iii. 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.
- iv. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- v. To review measures for effective voting rights, adherence to service standards adopted by the Registrars & Share Transfer Agent and measures undertaken for reducing quantum of unclaimed dividend.

The Composition of Stakeholders Relationship Committee and the details of the meeting attended by the members are as follows:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Pramod Kumar Shah*	Non-Executive, Independent	Chairman	1
Mr. Sajjan Bhajanka	Executive, Non-Independent	Member	1
Mr. Sanjay Agarwal	Executive, Non-Independent	Member	1

The Company Secretary acts as Secretary to the Committee.

\* Mr. Pramod Kumar Shah was appointed as a Committee member and Chairman w.e.f. 01.04.2020.

#### Meetings and Attendance

The Stakeholder Relationship Committee meeting held once on 28th August, 2020 during the Financial Year 20-21.

#### Status of Pending Complaints:

The Company has received 1 (one) Complaint during the Financial Year 2020-21 which was duly addressed. Hence, there were no complaints pending at the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (CSR) Committee as required

under Section 135 of the Companies Act 2013. The Committee consists of three Directors out of which one director is an Independent Director.

The terms of reference of the Committee are as follows:

- i. To 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.
- ii. To formulate and recommend to the Board an annual action plan in pursuance of CSR Policy.
- iii. To recommend the amount of expenditure to be incurred on CSR activities
- iv. To oversee that Company's CSR Implementing Agencies are registered with the Ministry of Corporate Affairs.

The Corporate Social Responsibility Committee comprises of the following three members and details of the meeting attended by them are given below:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Sanjay Agarwal	Executive, Non-Independent	Chairman	1
Mr. Sajjan Bhajanka	Executive, Non-Independent	Member	1
Mr. Santanu Ray *	Non-Executive	Member	1

\* Mr. Santanu Ray was appointed as a Committee member w.e.f. 01.04.2020.

#### Meetings and Attendance:

The Corporate Social Responsibility Committee met once on 25th June, 2020 during the FY 20-21. All the Members of the Committee attended the meeting.

The CSR Policy of the Company is available on the Company's website at: <https://starcement.co.in/wp-content/uploads/CSR-Policy-2021-1.pdf>

There was no instances where recommendations of the Committee not accepted by the Board of Directors.

#### FINANCE COMMITTEE

The Company has constituted a Finance Committee. The Finance Committee deals within the terms of reference defined by the Board and ensures their expeditious implementation.

The terms of reference of the Committee are as follows:

- i. To approve the opening of and modification in operation of bank accounts, including closure thereof.
- ii. Borrow money by way of loan for the purpose of financing new projects, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments and taken necessary actions connected therewith.
- iii. Provide corporate guarantee/performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity.
- iv. Opening, modification and closure of trading and demat accounts required for securities, derivatives and all other Options.
- v. Monitoring of loans and advances granted by the Company as approved by the Board of Directors from time to time.
- vi. Approve availing of online banking facilities in all forms including but not limited to viewing rights, transaction rights, application for Letters of Credit, Bank Guarantees, Buyers Credit and carry out all trade related transactions through internet.
- vii. Take decisions in connection with any arrangement, document or matter necessary, ancillary, incidental or desirable to give effect to all its powers and authority.
- viii. Any other financial issues or other matters, whether out of and incidental to these functions or not, as may be assigned by the Board.

The Finance Committee comprises of the following three members and details of the meeting attended by them are given below:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Sajjan Bhajanka	Executive, Non-Independent	Chairman	5
Mr. Sanjay Agarwal	Executive, Non-Independent	Member	5
Mr. Rajendra Chamaria	Executive, Non-Independent	Member	Nil

#### Meetings and Attendance

The Finance Committee meetings were held on 25th June, 2020, 11th August, 2020, 11th November, 2020, 07th January, 2021 and 22nd February, 2021 during the FY 20-21 and attendance of members are given herein above.

#### RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee (RM) Committee as per requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 as amended in 2018 effective from 1st April, 2019. The Committee consists of three members out of which two are Directors and other member is the Chief Executive Officer.

The terms of reference of the Committee are as follows:

- i. To assess the Company's risk profile and key areas of risk in particular.
- ii. To recommend the Board and adoption of risk assessment and rating procedures.
- iii. To articulate the Company's policy for the oversight and management of business risks.
- iv. To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- v. To assess and recommend the Board acceptable levels of risk.
- vi. To develop and implement a risk management framework and internal control system.
- vii. To review the nature and level of insurance coverage.
- viii. To have special investigations into areas of corporate risk and break-downs in internal control.
- ix. To review management's response to the Company's auditors' recommendations those are adopted.
- x. To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process.
- xi. To ensure cyber security system is adequate to protect the Company's IT system.

During the FY 20-21, one meeting of the Committee was held on 24th March, 2021 and attendance of members are given below:

The Risk Management Committee comprises of the following three members as given below:

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Sanjay Agarwal	Managing Director	Chairman	1
Mr. Santanu Ray*	Non-Executive –Independent	Member	NA
Mr. Sanjay Kumar Gupta	Chief Executive Officer	Member	1

\*\* Mr. Santanu Ray was appointed as a Committee member w.e.f. 01.04.2020.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors of the Company has adopted a Vigil Mechanism Policy. This mechanism provides a tool in the hands of Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy, leakage of unpublished price sensitive information etc., The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

## GENERAL BODY MEETINGS

### Particulars of last three Annual General Meetings:

Financial Year	Venue	Date and time
2019-20	Through Video Conferencing (Deemed Location: Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210)	29th September, 2020 at 02:00 P.M.
2018-19	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	27th September, 2019 at 02:00 P.M.
2017-18	'Star Club', Village Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210	31st July, 2018 at 02:00 P.M.

### Details of Special Resolution passed in the last three Annual General Meetings:

AGM	Date	Matter
17th	31.07.2018	1. Re-appointment of Mr. Sajjan Bhajanka as Managing Director 2. Re-appointment of Mr. Sanjay Agarwal as Managing Director 3. Re-appointment of Mr. Rajendra Chamaria as Managing Director
18th	27.09.2019	1. Re-appointment of Mr. Pramod Kumar Shah as an Independent Director 2. Revision in remuneration of Mr. Rajendra Chamaria, Managing Director of the Company
19th	29.09.2020	1. Appointment of Mr. Amit Kiran Deb as an Independent Director

### Details of Special Resolution proposed to be conducted through Postal Ballot and procedure:

None of the businesses proposed to be transacted requires passing of a special resolution through postal ballot.

No Extra-Ordinary General meeting of the Shareholders was held during the year.

## DISCLOSURES

- No materially significant related party transactions took place between the Company and its subsidiaries, its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at <https://starcement.co.in/wp-content/uploads/Related-Party-Policy.pdf>
- There has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- There has been no instance where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required in the relevant financial year.
- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessments and procedures to minimize risk. The risk management policy is reviewed periodically to ensure that the executive management controls the risk as per decided policy.
- The Company's policy on Vigil mechanism is placed on the Company's website at <https://starcement.co.in/wp-content/uploads/Whistle-Blower-Policy-4.pdf>. We hereby affirm that no personnel have been denied access to the audit committee.
- The Directors of the Company are not related inter-se.
- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review, the Company has not raised any money through public issue.
- During the year under review no instances of sexual harassment reported.
- The Company's policy on "material subsidiary" is placed on the Company's website at <https://starcement.co.in/wp-content/uploads/Policy-on-Material-subsiary-2.pdf>.
- A Certificate from a Company Secretary in Practice confirming that none of the Directors on the Board

of your Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such Statutory Authority forms part of this Annual Report.

- Total consolidated fees paid for all services rendered by the Statutory Auditors to the Company, its subsidiaries and all other network entities where Statutory Auditors is a part during the year under review amounting to ₹ 30.29 Lakhs.
- The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - a) Non-Executive Chairman's Office: The Company does not have Non – Executive chairperson.
  - b) Shareholders' Rights: As the quarterly, half yearly and annual results of the Company along with significant events, if any, are published in the newspapers and also posted on the Company's website and the Stock Exchanges where shares of the Company are listed, the same are not being sent individually to the shareholders.
  - c) Modified Opinion in Audit Report: The Company's financial statement for the year ended 31st March, 2021 does not contain any modified audit opinion.
  - d) Separate posts of Chairman and CEO: The positions of Chairman and Chief Executive Officer (CEO) are separate.
  - e) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.
- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub regulation (2) of regulation 46 of the LODR.

### CREDIT RATING

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. ICRA Limited, has reaffirmed the Company's short term rating to [ICRA]A1+ (pronounced ICRA A one plus) and the long term rating to [ICRA]AA- (pronounced as ICRA double A minus). The outlook on the long term rating is 'Stable'.

### CODE OF CONDUCT

In pursuance of the SEBI Regulations, the Board has approved the 'Code of Conduct for Board of Directors and Senior Management' and same has been circulated and posted on the Company's website [www.starcement.co.in](http://www.starcement.co.in).

The Directors and Senior Management personnel have affirmed compliance with the provisions of above Code of Conduct. The declaration by the Chief Executive Officer to this effect is also attached to this Report.

### MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per SEBI Regulations, are published in prominent English and Khasi (Regional language) newspapers usually in 'Financial Express' and 'Hima'. The quarterly financial results, annual results, annual report and official news are posted on the website of the Company - [www.starcement.co.in](http://www.starcement.co.in).

The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting. The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company are also placed on the Company's website: [www.starcement.co.in](http://www.starcement.co.in) and can be downloaded.

All periodical compliance filings like shareholding pattern, corporate governance report, investor presentations, media releases, among others are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE's Listing Centre which are web-based applications designed by NSE and BSE respectively for corporates and are displayed on the Company's website.

The Company has designated the following email ID exclusively for investor servicing: [investors@starcement.co.in](mailto:investors@starcement.co.in)

### MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report, forms a part of the Directors' Report.

### GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting

Date and Time	30th September, 2021 at 11:30 a.m.
Venue	Annual General Meeting be conducted through Video Conferencing/ Other Audio Visual Means facility. [Deemed venue of Meeting at Registered Office at Star Club, Village : Lumshnong, PO : Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210]
Dates of Book Closure	29th September, 2021 to 30th September, 2021 (Both days inclusive)

#### Financial Calendar (for the year 2021-22)

The Company follows financial year starting from 1st of April of the financial year and ending on 31st March of the following year.



### Proposed date for approval of financial results

First Quarter ended 30th June, 2021	Within 45 days from the end of quarter
Second Quarter ended 30th September, 2021	Within 45 days from the end of quarter
Third Quarter ended 31st December, 2021	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31st March, 2022	Within 60 days from the end of quarter

### Listing on Stock Exchanges:

The Shares of the Company are presently listed on the following Stock Exchanges:-

- a) National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra –Kurla Complex, Bandra (E)  
Mumbai- 400 051  
Stock Code - STARCEMENT

- b) BSE Ltd. (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
Stock Code - 540575

The Company has paid listing fees to NSE and BSE for the year 2021 – 22.

Annual Custody/Issuer fee for the year 2020-21 has been paid by the Company to NSDL and CDSL. Bills for the year 2021-22 has been received and paid by the Company.

### ISIN Allotted to the Company by the Depositories:

The Company has signed Depository agreement with both National Securities Depository Limited and Central Depository Services (India) Limited. The ISIN allotted to the Company is INE460H01021.

### Corporate Identity Number:

L26942ML2001PLC006663

### Market Information

Market Price Data: High, Low (based on the closing prices) and volume of shares traded at BSE and NSE, for the FY 20-21 are as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2020	82.00	66.60	1,03,686	81.90	66.10	1,26,63,371
May 2020	80.05	66.80	1,02,728	80.00	66.50	15,81,050
June 2020	94.90	74.45	4,39,213	95.00	73.55	58,50,169
July 2020	99.90	83.50	4,71,712	100.35	83.30	65,20,848
August 2020	96.30	85.00	3,23,568	96.00	85.05	50,42,985
September 2020	92.00	80.00	5,41,786	92.30	82.00	21,05,413
October 2020	89.40	81.00	15,16,037	89.30	81.40	62,57,154
November 2020	93.00	82.00	4,17,649	104.50	76.15	55,63,895
December 2020	107.50	83.00	13,90,760	108.00	75.35	2,22,44,964
January 2021	108.05	92.55	9,89,712	108.00	92.60	1,06,91,409
February 2021	104.85	92.00	9,95,877	104.00	94.50	64,95,347
March 2021	111.85	91.30	6,98,716	112.00	90.95	87,30,493

Performance of the Shares of the Company in comparison to BSE Sensex is as under

Month	BSE Sensex		Company's Share	
	Closing	% Change	Closing	% Change
April 2020	33,717.62	14.42	79.15	15.86
May 2020	32,424.10	(3.84)	73.90	(6.63)
June 2020	34,915.80	7.68	86.30	16.78
July 2020	37,606.89	7.71	88.90	3.01
August 2020	38,628.29	2.72	90.15	1.41
September 2020	38,067.93	(1.45)	84.15	(6.66)
October 2020	39,614.07	4.06	83.00	(1.37)
November 2020	44,149.72	11.45	89.90	8.31

Month	BSE Sensex		Company's Share	
	Closing	% Change	Closing	% Change
December 2020	47,751.33	8.16	99.75	10.96
January 2021	46,285.77	(3.07)	96.65	(3.11)
February 2021	49,099.99	6.08	98.00	1.40
March 2021	49,509.15	0.83	97.05	(0.97)

#### Registrars and Share Transfer Agents:

M/s. Maheshwari Datamatics Private Limited

23, R.N. Mukherjee Road,

5th Floor, Kolkata - 700001

Phone: 033 22435029/22482248

Fax - 033 22484787

Email - [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

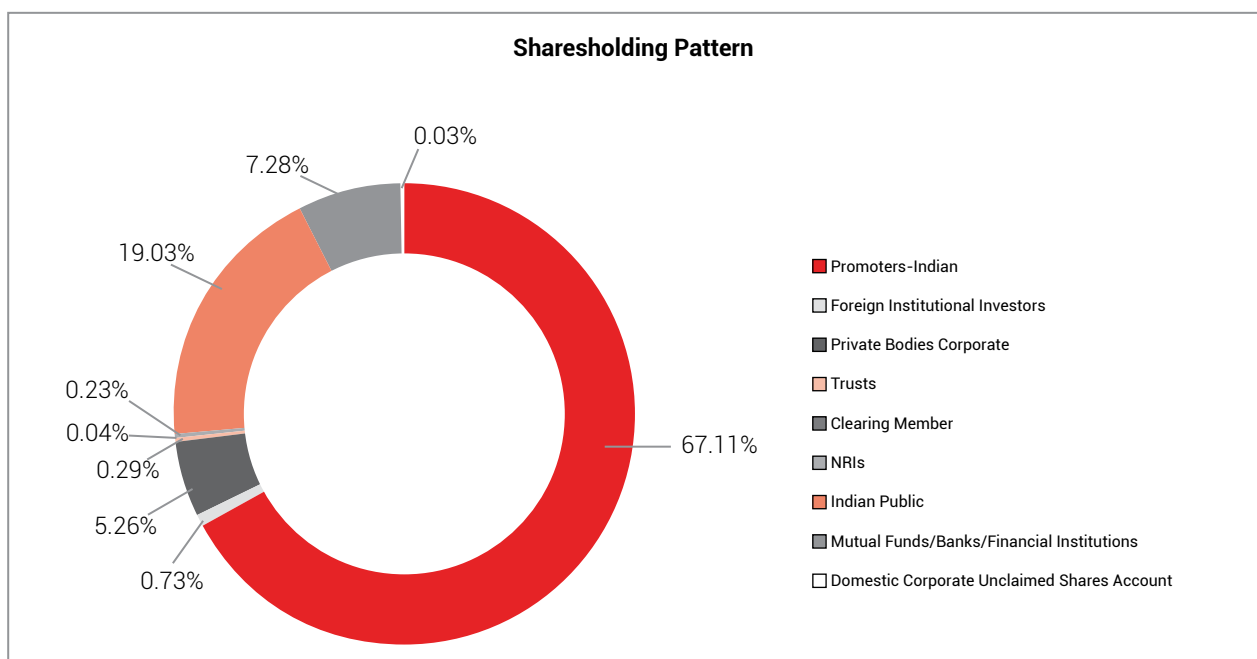
#### Share Transfer System

Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfers are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

Transfer of Shares in dematerialised form is duly processed by NSDL/CDSL in electronic form through the respective Depository participants. Dematerialisation is required to be done within a period of 15 days from the date of lodgment of dematerialisation request, complete in all respect, with the Depository Participant of the Shareholder.

#### Distribution of Shareholding of Ordinary Shares as on 31st March, 2021

Shareholding	Total No. of Shareholders	%	No. of Shares	%
1- 500	31,198	88.56	30,90,875	0.75
501-1000	1,740	4.94	14,20,416	0.35
1001-5000	1,672	4.75	39,28,615	0.95
5001-10000	295	0.84	22,64,912	0.55
10001- 20000	127	0.36	18,71,463	0.45
20001 and above	197	0.55	39,98,52,716	96.95
<b>Total</b>	<b>35,229</b>	<b>100</b>	<b>41,24,28,997</b>	<b>100</b>



Category	Number of Shareholders*	Number of Shares	% of total Share Capital
Promoter and Promoter Group	48	27,67,84,937	67.11
Foreign Institutional Investors	3	30,03,532	0.73
Bodies Corporate	219	2,16,79,585	5.26
Trusts	2	12,09,532	0.29
Clearing Member	70	1,76,035	0.04
NRIs/ Foreign Nationals	857	9,45,265	0.23
Individual	33,463	7,84,92,733	19.03
Mutual Funds/ Banks/Financial Institutions/ NBFCs registered with RBI	6	3,00,04,951	7.28
Domestic Corporate Unclaimed Shares Account	1	1,32,427	0.03
<b>TOTAL</b>	<b>34,669</b>	<b>41,24,28,997</b>	<b>100.00</b>

\*Note : In terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2017/128 dated 19.12.2017 shareholding of the promoter and promoter group, public shareholder and non-public non-promoter shareholder has been consolidated on the basis of the PAN and folio number.

#### Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

41,17,16,068 Ordinary Shares of the Company representing 99.83% of the Company's share capital are dematerialised as on 31st March, 2021.

The Company has never issued any GDR/ADR/ warrants or any convertible instruments.

#### RECONCILIATION OF SHARE CAPITAL AUDIT:

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is

in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

#### DISCLOSURES WITH RESPECT TO UNCLAIMED SHARES SUSPENSE ACCOUNT

Details as required under Schedule V of the Listing Regulations in respect of unclaimed shares transferred to the demat account "Star Cement Limited–Unclaimed Suspense Account" is as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01.04.2020	60	1,32,427
Aggregate number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account	NIL	NIL
Number of shareholders to whom shares were transferred from Suspense Account during the year	NIL	NIL
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31.03.2021	60	1,32,427

Voting rights in respect of the aforesaid shares held in Unclaimed Suspense Account will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned shareholders/legal heirs

#### DISCLOSURE WITH RESPECT TO UNCLAIMED/UNPAID DIVIDEND ACCOUNT

Dividend drafts in respect Interim Dividend for the FY 2015-16, Final Dividend declared for the FY2017-18 and Interim Dividend declared for the FY 2019-20 have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the same may please write to the Company or its RTA for further information on this behalf. Shareholders who have not encashed the drafts are requested to do so by getting them revalidated from the Company or its RTA.

The tentative date for transfer of unclaimed and unpaid dividends to the IEPF for the aforesaid financial years declared by the Company has been provided in the Director's Report.

The Interim Dividends for the year Financial year 2013-14 and the underlying shares for which dividends have not been claimed for 7 consecutive years or more have been transferred to the Investor's Education & Protection Fund' (IEPF). The Company had sent individual communication to those shareholders whose shares were liable to be transferred to IEPF Authority at their latest available address. The Company has uploaded the details of such shareholders whose shares were due for transfer, if remains unclaimed after 31st March, 2021, to IEPF Authority at the web site of the Company at [www.starcement.co.in](http://www.starcement.co.in). Now, the shareholders whose dividend and shares have been transferred to the IEPF, may follow the procedures as prescribed in laws to claim the same.

#### **COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Commodities form a major part of the raw materials required for Company's products and hence, commodity price risk is one of the important market risk for the Company. The Company has mechanism to ensure that the organization is protected from market volatility in terms of price and availability of raw materials and prefers long term arrangement with the suppliers. The Company does not hedge its exposure to commodity price risks.

The Company also does not hedge foreign exchange risks.

#### **Plant Locations:**

##### **Lumshnong Plant**

Vill: Lumshnong, P.O. Khaliehriat

Dist.: East Jaintia Hills

Meghalaya – 793210

##### **Sonapur Plant**

Gopinath Bordoloi Road

Vill: Chamta Pathar

P.O. Sonapur

Kamrup Assam

Pin: 782402

##### **Siliguri Plant**

Chaurangi More, Teyyature Road,

Patkata Colony, Mohit Nagar,

Jalpaiguri, West Bengal - 735102

#### **Address for Correspondence:**

a) Corporate Office:

The Company Secretary & Compliance Officer  
Star Cement Limited, 'Century House',

2nd floor, P-15/1, Taratala Road, Kolkata-700 088

Phone: 033 24015555

Email: [investors@starcement.co.in](mailto:investors@starcement.co.in)

Website: [www.starcement.co.in](http://www.starcement.co.in)

b) Registered Office: Village: Lumshnong, P.O. Khaliehriat,  
Dist. East Jaintia Hills, Meghalaya – 793210

For and on behalf of the Board of Directors

Place: Kolkata

Date: 9th June, 2021

**Sajjan Bhajanka**

*Chairman*

## Auditors' Certificate on Corporate Governance

To

The Members of  
**Star Cement Limited**  
 Vill:-Lumshnong, P.O. Khaliehriat,  
 Dist. East Jaintia Hills,  
 Meghalaya - 793 210

We have examined the compliance of conditions of the Corporate Governance by Star Cement Limited for the year ended on 31st March, 2021, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D.K. CHHAJER & CO.**  
 Firm Registration No. 304138E  
 Chartered Accountants

**CA MANOJ K. ROONGTA**  
*Partner*  
 Membership No. 057761

Place : Kolkata  
 Date: 9th June, 2021  
 UDIN: 21057761AAAAAP9036

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## Compliance with Code of Business Conduct and Ethics

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended it is hereby declared that all Board members and Senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31st March, 2021.

Place : Kolkata  
 Date: 9th June, 2021

**Sanjay Kumar Gupta**  
*Chief Executive Officer*



## **CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

**To,  
The Board of Directors  
Star Cement Limited**

We the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Star Cement Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the Financial year ended 31st March, 2021 and based on our knowledge and belief, we state that:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, if any, in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata  
Date: 9th June, 2021

**Sanjay Kumar Gupta**  
*Chief Executive Officer*

**Manoj Agarwal**  
*Chief Financial Officer*

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Star Cement Limited  
Vill: Lumshnong, P.O. - Khaliehriat  
Dist. East Jaintia Hills – 793 210  
Meghalaya

We have examined the relevant disclosures received from the Directors and registers, records, forms, returns maintained by Star Cement Limited (CIN: L26942ML2001PLC006663) having its Registered office at Vill: Lumshnong, P.O. - Khaliehriat, Dist. East Jaintia Hills – 793 210, Meghalaya (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31st March 2021:

Sl. No.	DIN	Name	Designation	Date of appointment
1	00246043	Mr. Sajjan Bhajanka	Chairman & Managing Director	01.04.2012
2	00246171	Mr. Rajendra Chamaria	Vice Chairman & Managing Director	01.04.2012
3	00246132	Mr. Sanjay Agarwal	Managing Director	16.11.2002
4	00591512	Mr. Prem Kumar Bhajanka	Non-Executive Director	16.11.2002
5	00383635	Mr. Pankaj Kejriwal	Non-Executive Director	26.03.2003
6	00343256	Mr. Pramod Kumar Shah	Independent Director	13.11.2017
7	03107920	Mrs. Ibaridor Katherine War	Independent Director	08.04.2017
8	01375361	Mrs. Plistina Dkhar	Independent Director	08.04.2017
9	00642736	Mr. Santanu Ray	Independent Director	08.04.2017
10	02107792	Mr. Amit Kiran Deb	Independent Director	01.04.2020

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & Associates**  
Company Secretaries  
Firm Reg No: P2010WB042700

**Raj Kumar Banthia**  
Partner  
Membership No. ACS 17190  
COP no. 18428

Date: 9th June, 2021  
Place : Kolkata  
UDIN: A017190C000436501

# DIVIDEND Policy

## I. PREAMBLE

The shares of Star Cement Limited ('the Company') are listed on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 16th June, 2017. Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated 8th July, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on 31st March of every financial year.

In compliance with the said Regulation, the Company decided to frame a Dividend Distribution Policy ('Policy').

## II. EFFECTIVE DATE

This Policy would be effective and binding on the Company after the Company falls under top 500 listed companies based on market capitalisation calculated on 31st March of every financial year.

## III. OBJECTIVE

The objective of the policy is to specify all relevant factors to the extent applicable to the Company that will be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

The objective of the policy is to share a portion of the profits, whilst also ensuring that sufficient funds are available for growth and smooth running of the Company. This Policy intends to act as a guiding tool to the Board for taking decision whether to distribute or to retain its profits, in the best interest of the stakeholders as well as the Company.

## IV. TYPES OF DIVIDEND AND PROCEDURE FOR APPROVAL

The Companies Act provides for two types of Dividend i.e., Interim dividend and Final Dividend. The Board of Directors shall have the absolute power to declare interim dividend during the financial year which is ratified by the members at the next Annual General Meeting, as and when they consider it fit and also have power to recommend final dividend to the shareholders for their declaration in the Annual General Meeting of the Company.

### (a) Final Dividend

The Final dividend is declared once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in annual general meeting for their approval. The declaration of Final dividend shall be included in the ordinary business items, if recommended, that are required to be transacted at the Annual General Meeting.

#### Process for approval of Payment of Final Dividend:

Board shall recommend quantum of final dividend payable to shareholders in its meeting in line with this

Policy based on the profits arrived at as per the audited financial statements

Dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.

Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.

### (b) Interim dividend

Interim dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalisation of quarterly (or half yearly) financial statements. This may be in order to supplement the annual dividend.

#### Process for approval of payment of Interim Dividend:

The Board of Directors may declare Interim Dividend at its complete discretion, one or more times in a financial year in line with this Policy based on profits arrived at as per quarterly/half- yearly financial statements or for such period as may be decided.

Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.

Interim dividend paid during the year shall be confirmed in the annual general meeting, held after the payment of the same.

## V. FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, available cash flow, Capex requirements, working capital position and applicable taxes.

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of surplus subject to the fulfilment of conditions specified under the Companies Act, 2013 and rules made thereunder, including any amendment/modifications thereto.

Payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

Preference Shareholders shall be entitled and paid dividend at the fixed rate as per the terms of issue. In case of the Cumulative Preference Shares, if the Company is not having distributable profits for any certain financial year or the Company is not able to pay the dividend, then this shall be accumulated and be paid later on. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

## VI. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The decision regarding dividend pay-out is a crucial one as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained by the Company for its business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Board shall consider the following factors while deciding the dividend pay-out:

### Internal Factors:-

#### (a) Profits earned during the year

The profits earned during a financial year impacts dividend pay-out decision.

#### (b) Liquidity requirements of the businesses

Availability of adequate operating cash flow to meet financial obligations and for running day-to-day operations.

#### (c) Expansion/Modernisation of existing businesses

The need for replacement of capital assets, expansion and modernisation or augmentation of capital stock, including any major capital expenditure proposals may impact dividend declaration decision.

#### (d) Acquisitions of new business

Acquisition of new businesses, increasing expenditure on marketing, advertising and brand building in the long-run will also influence the Board's decision of declaration of dividend.

#### (e) Cost of borrowings

Cost of funds raised/to be raised from Banks, lending institutions or through issuance of debt securities vis-à-vis ploughing back of profits also needs to be considered while deciding dividend payment.

#### (f) Obligations towards creditors and other stakeholders

The Company needs to maintain adequate liquidity to be able to fulfil its obligations towards its creditors and other stake holders. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

#### (g) Post dividend EPS

Post dividend EPS tends to have substantial impact on market capitalisation and the same also needs to be considered before declaring dividend.

### External Factors:-

There are external factors those are determinants for the amount of dividend proposed to be declared. In such conditions, the Board shall exercise its discretion after due consideration of following factors:

#### (a) Economic conditions

In case of uncertain or recessionary economic and business conditions, whether in the National or International markets, Board will endeavour to retain larger part of profits to have adequate reserves to absorb unforeseen and adverse circumstances.

#### (b) Capital Markets

In case markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

#### (c) Taxation and Statutory Restrictions

The Board shall consider the tax regulations together with restrictions imposed by any statute, including the Companies Act, as may be applicable at the time of declaration of dividend. Changes in policies of the Government with respect to dividend may also impact dividend distribution.

## VII. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend under the following circumstances:

- Whenever the Company undertakes or proposes to undertake a significant expansion project;
- Higher working capital requirements for any acquisitions of business/brand/company or joint ventures etc.;
- Whenever the Company proposes to utilise surplus cash for buy-back of securities;
- In the event of inadequacy of profits or whenever the Company has incurred losses.

## VIII. POLICY ABOUT UTILISATION OF RETAINED EARNINGS

The Company looks forward to deliver maximum to its shareholders by consistently working towards creating a balance between overall Wealth Maximisation and Earnings per share. Thus the retained earnings of Company after declaration of dividend (if any), shall be utilized in the manner as considered appropriate by the Board.

## IX. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued one class of equity shares with equal voting rights, therefore, all the members of the Company are entitled to the same dividend per share.

## X. REVIEW AND AMENDMENT

This Policy is subject to review by the Board as and when required.

# BUSINESS RESPONSIBILITY REPORT

## for the year 2020-21

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L26942ML2001PLC006663									
2	Name of the Company	Star Cement Limited (SCL)									
3	Registered office address	Vill: Lumshnong, P.O. Khaliehriat, Dist. East Jaintia Hills, Meghalaya-793 210									
4	Website	<a href="http://www.starcement.co.in">www.starcement.co.in</a>									
5	Email ID	<a href="mailto:investors@starcement.co.in">investors@starcement.co.in</a>									
6	Financial year reported	2020-21									
7	Sector(s) that the Company is engaged in (Industrial activity code wise)	<table border="1"> <thead> <tr> <th>Sl.</th> <th>Product</th> <th>NIC code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Cement</td> <td>23941</td> </tr> <tr> <td>2</td> <td>Cement clinker</td> <td>23941</td> </tr> </tbody> </table>	Sl.	Product	NIC code	1	Cement	23941	2	Cement clinker	23941
Sl.	Product	NIC code									
1	Cement	23941									
2	Cement clinker	23941									
8	Three key products/services that the Company manufactures/provides	Cement Cement Clinker									
9	Total number of locations where business activity is undertaken by the Company : (a) Number of International locations (b) Number of National locations	The Company has a subsidiary in Myanmar which is yet to start operation. The Company's registered office is situated in Meghalaya and Corporate Office at Kolkata. It has manufacturing unit at Lumshnong, Meghalaya, Sonapur, Assam. and Siliguri, West Bengal. It has Sales and Marketing office at Guwahati, Patna, Siliguri and Project Office at New Delhi.									
10	Markets served by the Company Local/State/National/International	Star Cement Limited operates in Eastern part of the country and mainly concentrate its business in North Eastern and Eastern Region of India.									

### SECTION B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (as on 31.03.2021)	₹ 41,24,28,997/-
2	Total Turnover (FY 20-21)	₹ 1,68,516.16 Lakhs
3	Total profit after tax (FY 20-21)	₹ 15,727.21 Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Against the requirement of ₹ 505.84 Lakhs, the Company spent ₹ 611.02 Lakhs towards CSR during 2020-21 which is 3.88% of profit after tax.
5	List of CSR activities in which expenditure has been incurred	The major areas as listed under Schedule-VII of the Companies Act, 2013 where CSR expenditures have been incurred : Education Health care and sanitation Emergency relief Rural and infrastructure development Protection of sites of historical importance Enhancing vocational skills & livelihood

### SECTION C : OTHER DETAILS OF THE COMPANY

1	Subsidiary Company/Companies	As at 31st March, 2021, SCL has 5 (five) subsidiaries including 1 (one) foreign subsidiary.
2	Participation of Subsidiary Company/Companies in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies do not participate in the BR initiatives of the parent company. However, wherever applicable, subsidiaries follow CSR activities as per own policy.
3	Participation and percentage of participation of the entity/entities (e.g., suppliers and distributors among others) that the Company does business with, in the BR initiatives of the Company.	The other entities with whom the Company does business e.g., suppliers, distributors etc., don't participate in the BR initiatives of the Company.



**SECTION D : BUSINESS RESPONSIBILITY INFORMATION**

1	Details of Directors/Directors responsible for BR (a) Details of the Director/Directors responsible for implementation of the BR Policy/policies (b) Details of the BR Head	<b>Sl.</b>	<b>Particulars</b>	<b>Details</b>
		1	DIN	00246043
		2	Name	Mr. Sajjan Bhajanka
		3	Designation	Chairman & Managing Director
		4	Tel No.	033-24015555
		5	E-mail ID	<a href="mailto:investors@starcement.co.in">investors@starcement.co.in</a>
2	Principle wise (as per NVGs) BR Policy/policies	The National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:		
		Principle 1	<b>Ethics, Transparency &amp; Accountability</b>	
		Principle 2	<b>Sustainability of products &amp; services across life cycle</b>	
		Principle 3	<b>Employee's well being</b>	
		Principle 4	<b>Stake holder's engagement</b>	
		Principle 5	<b>Human Rights</b>	
		Principle 6	<b>Environment</b>	
		Principle 7	<b>Responsible Policy Advocacy</b>	
		Principle 8	<b>Inclusive Growth &amp; Equitable Development</b>	
		Principle 9	<b>Customer value</b>	

**DETAILS OF COMPLIANCE**

Sl	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been framed based on 'National Voluntary Guidelines' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/owner/CEO/ appropriate Board of Directors?	The policies have been approved by the Board of Directors and signed by the Managing Director & the CEO.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Chairman & Managing Director and the Chief Executive Officer through the Functional Heads oversee the implementation of the policies across the organisation.								
6	Indicate the link for the policy to be viewed online	<a href="https://starcement.co.in/wp-content/uploads/Business-Responsibility-Policy.pdf">https://starcement.co.in/wp-content/uploads/Business-Responsibility-Policy.pdf</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been informed to internal and external stakeholders and the same is also available on the Company's website <a href="http://www.starcement.co.in">www.starcement.co.in</a>								
8	Does the Company has in house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y

SI	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievance related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by and internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		BR Policy is evaluated internally.								
3	Governance related to Business Responsibility									
	Frequency with which the Board of Directors, Committee of the Board or CEO meet to access the Company's BR performance	The overall BR performance of the Company is reviewed by the BR Head annually and varied aspects of BR performance of each department/unit are assessed by the respective department/unit heads.								
	Publishing of Business Responsibility or a Sustainability Report, its frequency and hyperlink	BR report is forming a part of the Annual Report. The report is also available on the Company's website at : <a href="http://www.starcement.co.in">www.starcement.co.in</a>								

## SECTION E : PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 - ETHICS, TRANSPERANCY AND ACCOUNTABILITY

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy generally serves as roadmap to the employees of the Company and its subsidiaries. The Company has adopted own procedures to address any issues pertaining to ethics, bribery and corruption. Whistle blower policy of the Company is in force to effectively address issues from any stakeholders.

#### 2. How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company keeps close contact and friendly interacts with the investors, consumers and vendors so that their complaints, if any are amicably sorted out.

Stakeholders Complaints	Received	Resolved	Complaints Resolved in %
Investors complaints	1	1	100%
Consumers complaints	41	40	98%
Vendors complaints	NIL	NA	NA

**PRINCIPLE 2 - SUSTAINABILITY OF PRODUCTS & SERVICES ACROSS LIFE CYCLE**

1	Three products/services whose design has incorporated social or environmental concerns, risks and/or opportunities	(a) Cement (b) Clinker
2	<p>Details in respect of resource use (energy, water and raw materials etc.)</p> <p>(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain</p> <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year</p>	<p>Company emphasises on research and development of new technology so that usage of natural resources are minimal and alternative sources are identified. It motivates and works closely with suppliers and vendors of supply chain to reduce any hazardous environmental impacts.</p> <p>Initiatives undertaken by the Company for optimal utilisation of energy, water as follows :</p> <ul style="list-style-type: none"> <li>• Roller Press Roller ring welding, Tip plate maintained so that Cement Mill production rate increased. Due to that annual power saving 2 Kwh/Mt Cement.</li> <li>• Cooler DBC (Deep Bucket Conveyor) all bucket replaced &amp; Cooler ESP first chamber Emitting &amp; collecting Plates replaced resulting saving of 1 Kwh/MT of Clinker.</li> <li>• 10 Nos. of 800W HPSV Flood Light fitting replaced with 400W LED light fittings resulting saving of 0.175 lacs Kwh Per year.</li> <li>• 600 Nos. of 70W HPSV well glass fitting replaced with 30W LED light fittings resulting saving of 1.05 lacs Kwh Per year.</li> <li>• 20 Nos. of 400W HPSV flood Light fitting replaced with 100W LED light flood fittings resulting saving of 0.26 lacs Kwh Per year.</li> <li>• 130 Nos. of 150W HPSV street Light fitting replaced with 60W LED street light fittings resulting saving of 0.56 lacs Kwh Per year.</li> <li>• 80 Nos. of 250W HPSV street Light fitting replaced with 100W LED street light fittings resulting saving of 0.51 lacs Kwh Per year.</li> <li>• Reducing transformer secondary voltage from 426V to 404V resulting saving of 0.219 lacs Kwh Per year.</li> </ul>
3	Procedures in place for sustainable sourcing (including transportation) and percentage of input sourced sustainably	The Company focus on long term strong relationship with its suppliers. Social, ethical and environmental factors are considered while selecting the suppliers. It focuses on integrating sustainability in the procurement process. Effective system has been embedded to purchase the raw materials and act according to production and sales forecasts to ensure optimum raw materials procurement. Higher capacity of containers are used for transportation to save fuel.
4	Steps taken to procure goods and services from local and small producers including communities surrounding the place of work.	To maintain sustainability in procurement process emphasises given to procure the materials from local areas surrounding the factory and preference given to local and MSME suppliers.
5	Mechanism and percentage of recycling of products and wastes.	<p>We are using 30-32% fly ash (a bye product) in PPC cement, through hopper feed belt.</p> <p>100% lub waste are using in preheater (calciner vessel) and others waste are using is kiln.</p> <p>Waste water generated is used in dust suppression, gardening etc. Rain water is preserved and used for domestic purposes.</p>

### PRINCIPLE 3 – EMPLOYEES WELL-BEING

The Company believes that employees well being is key to success of the organisation and therefore, it places high echelon to the employees well being and satisfaction. The Company has adopted various measures to ensure safety and health of the employees.

Recreation and recognition are crucial to motivate the employees and measures adopted are as follows:

- (1) Long Term Service Award
- (2) Birthday celebration
- (3) Recognition to retiring employees
- (4) Rewards for outstanding performance
- (5) Health check up camp
- (6) Vaccination programme
- (7) Women's day celebration
- (8) Observations of various festive days
- (9) Organising sports and competitions

Information as per BRR framework :

1	Total number of permanent employees	703
2	Total number of employees hired on temporary/contractual/casual basis	970
3	Number of permanent women employees	43
4	Number of permanent employees with disabilities	NIL
5	Employees association recognised by the management	SCL respects rights of every employees and values their opinion/suggestion at all levels. Employees enjoy freedom to raise their concerns wherever requires and due attention is always given by the management. For the reason employees not shown their interest to form any Association.
6	Percentage of permanent employees who are members of recognised employee association	NIL

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in last financial year and pending as on the end of the financial year:

No.	Category	No. of complaints filed during financial year	No. of complaints pending on end of financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

The Company has Sexual Harassment Committee where the employees can register their complaints in respect of sexual harassment.

8. Percentage of under mentioned employees who have given safety & skill up-gradation training in the last year :

Permanent employees	4%
Permanent women employees	2%
Casual/Temporary/Contractual employees	NIL
Employees with disabilities	NIL

(In view of covid pandemic witnessed across the country and the lock down announced by the Government and the restrictions imposed, number of training programme undertaken during the year were restricted and the planned initiatives could not be rolled out).

#### PRINCIPLE 4 – STAKEHOLDERS ENGAGEMENT

Company believes that performance of business entity depends on the value created for various stakeholders of the Company at large. The Company puts its endeavours to identify and address the needs and concerns of the stakeholders.

Information as per Business Responsibility framework :

1	Mapping of internal and external stakeholders	The Company has mapped its internal and external stakeholders by way of following mechanisms :	
		Investors and stakeholders	General Meetings, Annual Reports, Investor's meet, communication with the shareholders
		Local communities	Frequent visit and close interaction
		Employees	Meetings, intranet, virtual meetings, training, survey
		Customers	Customers meet, survey and various contests
		Suppliers & dealers	Site visit, tour, meetings and feed back
		Government & Regulatory authorities	Industry bodies and forums
		Media	Press release, interview and announcement.
2	Identification of disadvantaged, vulnerable & marginalised stakeholders.	The Company with its continuous efforts identifies vulnerable and marginalised communities around manufacturing unit and works towards their betterment by various initiatives. It also identifies disadvantaged, vulnerable and marginalised stakeholders and continuously works for their upliftment.	
3	Special initiatives taken by the Company to engage with disadvantaged, vulnerable and marginalised stakeholders. If so, details in about 50 words.	<p>The Company keeps efforts for the communities residing in proximity of manufacturing unit for improving their standard of living, education, sanitation, skill development through various initiatives as a part of corporate social responsibility (CSR). The Company's vocational training centre imparts various vocational training for economic upliftment of the local people making them self-dependent.</p> <p>The Company does not encourage any kind of discrimination based on caste, religion, sex, social background etc.</p>	

#### PRINCIPLE 5 – HUMAN RIGHTS

The Company is committed to respect and protect human rights and always strives to serve all individuals with honesty and fairness.

Information with reference to BRR framework:

1	Coverage of Company's policy on human rights and extension to the Group/Joint Ventures/Suppliers/NGOs/Others	The Company wherever possible, takes initiatives to promote awareness of human rights across value chain. The Company encourages all its partners to value human rights and always discourage any violation of human rights.
2	Stakeholders complaints received in past financial year and percentage of complaints resolved satisfactorily by the management.	No complaint received in past financial year relating to human rights violation.



**PRINCIPLE 6 – ENVIRONMENT**

1	Coverage of the policy related to principle 6 and its extension to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others	The policy is applicable to the Company. We aim to apply the principle across the value chain.
2	Company's strategies/initiatives to address global environmental issues such as climate change global warning etc.	<ul style="list-style-type: none"> <li>• Company has installed all associated pollution control equipments (ESP, RABH, Bag filters) as per prescribed for the operating unit.</li> <li>• During the operation, the dust collected in the pollution control equipments is recycled back into the process.</li> <li>• Company has installed online dust and gaseous monitoring equipments in associated stacks. Emission levels are within the limit and online equipments are connected with SPCB/CPCB server.</li> <li>• Closed roof sheds provided for all Raw materials.</li> <li>• All roads were concretized with provision of auto sprinkler system to control fugitive emission.</li> <li>• SCL are developing green belt area with all local species and ever green sapling.</li> <li>• Plastic packets/bags are restricted within the Registered office and factories.</li> </ul>
3	Identification and assessment of potential risk assessment	Identification and assessment of potential risk is a continuous process. Sound monitoring system is in place to identify any potential risks involved in the operations. Any potential risks are addressed at the initial stages. Continuous monitoring and inspection is done on regular basis and necessary corrective actions are taken to mitigate the same.
4	Company's initiative/projects related to clean development mechanism and environmental compliance report filed	<ul style="list-style-type: none"> <li>• SCL have installed all associated pollution control equipments (ESP, RABH, Bag filters) as per prescribed for the operating unit.</li> <li>• Road sweeping machines are available to clean the floors and roads around the plant.</li> <li>• Auto sprinkler systems have been provided on road, crusher hopper, coal shed and others vulnerable areas.</li> <li>• All environmental compliance reports are submitting to authority as per prescribed time frame.</li> </ul>
5	Company's initiatives on clean technology, energy efficiency, renewable energy etc.	Company is recycling solid waste, used Lubricants, empty fly ash bags, Jute waste etc. to promote clean technology.
6	Reporting on the emissions/waste generated by the Company as per permissible limits given by CPCB/SPCB	The environmental monitoring reports are regularly submitted to CPCB/SPCB. The Company has been successfully meeting the applicable environmental standards by using efficient control equipment and constant monitoring.
7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year.	There are no pending or unresolved show cause/legal notice from CPCB/SPCB as on 31st March, 2021.

**PRINCIPLE 7 – RESPONSIBLE POLICY ADVOCACY**

1	Membership in any trade and Chamber or association	Bharat Chamber of Commerce Cement Manufacturer's Association
2	Advocacy/lobbying through above associations for the advancement or improvement of public good	SCL actively participate in the aforesaid forums on the issues and matters related to the interest of the stakeholders and continue advocacy the matters for advancement of public good.

**PRINCIPLE 8- INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

1	Specified programmes/initiatives/projects in pursuit of the policy related to Principle 8	(i) Wellbeing of local communities (ii) Empowering women (iii) Conservation of environment (iv) Promoting education (v) Healthcare programme (vi) Self-employment programme
2	Modes through which programmes/projects undertaken (through in-house team/own foundation/external NGO/Government structures/any other organisation).	Programmes/projects are undertaken through own promoted Charitable Trust/NGO and local community.
3	Impact assessments for initiatives undertaken	Impact assessment is done internally to understand the effect of initiatives undertaken by the Company.
4	Company's direct contribution to community development projects and details of the projects undertaken.	Company's contribution to community development projects carried under CSR initiatives details of which is provided in the Director's Report and its annexure.
5	Steps taken to ensure that the community development initiatives is successfully adopted by the Community	The Company encourages participation/interaction with local communities adjacent to the plant locations to understand their basic need and feelings. Meetings are conducted with the local communities to understand their need and requirements and take suitable actions as per requirements.

**PRINCIPLE 9- CUSTOMER VALUE**

1	Percentage of customer complaints/consumer cases are pending as on the end of financial year	2%.
2	Display of product information on the product label, over and above what is mandated as per laws.	The Company follows all legal requirements for product labelling and product information. The Company display product information on the product label.
3	Case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last 5 years and pending as on end of financial year.	The Company (SCL) had received a notice from the Director General of Competition Commission of India (CCI) seeking various information on alleged cartalisation. SCL filed application before CCI for recall/review of the order by which CCI registered the case and ordered investigation. As complete information sought by CCI was not received within reasonable time, CCI imposed a penalty of ₹ 5 Lakhs upon SCL. Challenging the order of penalty the Company filed Writ Petition and challenging the order of investigation and registration of Case by CCI, the Company also preferred Writ Petition before Guwahati High Court. The Company has received stay order on both the Writ Petitions. CCI has filed Affidavits in Opposition in both the cases and also filed petitions for vacation of the stay orders the Company has filed Affidavits. Cases are sub-judice.
4	Consumer survey/consumer satisfaction trends carried out by the Company.	The Company believes that consumer satisfaction is key to the success of business. Therefore, the Company connects with consumers through dealers network to understand quality feedback and also through market inspection and survey by own employees. The Company follow systematic process for resolution of all complaints received at its earliest possible time.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 9th June, 2021

**Sajjan Bhajanka**  
Chairman  
(DIN: 00246043)

# **STANDALONE FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Star Cement Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone Financial Statements of **Star Cement Limited** (the "Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit and other comprehensive income, changes in equity and the cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act and Rules thereunder, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

- We draw your attention to Note 45 to the Statement which states that the Company has charged off the differential Excise duty of ₹ 2,931.36 Lakhs as an Exceptional item. The same was booked as income in earlier years based on an order passed by High Court of Guwahati as per the judgement of Supreme Court. Subsequently, the Apex Court reversed its Order and certain parties had filed review petitions, pending which the Company had treated it as a Contingent liability. On rejection of such review petitions, the Company has charged off the same.

Our opinion is not modified in respect of this matter.

- We draw your attention to Note no. 48 to the Statement which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances / developments as they evolve in the subsequent periods.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

S. No.	Key Audit Matters	Auditor's Response
1	<p><b>Revenue Recognition</b>                      (Refer Note no. 27 to the Standalone Financial Statements and Note 1.20 (A) of the significant accounting policies of the Standalone Financial Statements)</p> <p>Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer.</p> <p>The Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognised before completion of the performance obligation.</p> <p>Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.</p> <p>Due to the Company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental. There is a risk of revenue being affected as a result of variations in assessment of discounts, incentives and rebates recognised on sales.</p> <p>There is a significant risk of misstatement due to risk related to inappropriate recognition of the revenue as a result of faulty estimations over discounts, incentives, and rebates and hence this was determined to be a key audit matter in our audit of the Standalone financial statements</p>	<p><b>Our audit procedures to assess the appropriateness of revenue recognised included:</b></p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process.</li> <li>- Assessing the appropriateness of the Company's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards</li> <li>- Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately.</li> <li>- Examination of significant contracts entered into close to year end to ensure revenue recognition is made in the correct period.</li> <li>- Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes.</li> <li>- Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions.</li> <li>- Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items.</li> </ul> <p>Our testing as described above showed that revenue, discount, incentive and rebates have been recorded in accordance with the terms of applicable contracts and accounting policy in this area.</p>
2	<p><b>Related Party Transactions</b>                      (Refer Note no. 46 to the Standalone Financial Statements)</p> <p>The Company operates within a conglomerate of group entities. The subsidiaries operate in the line of business as the Company. These group companies operate in the same sector and have significant transactions amongst themselves during the year.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Standalone Financial Statements as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of transactions with related parties during the year ended 31st March, 2021 necessitated to be at arm's length, significant cash flow between parties, intercompany contracts, and common management amongst other things.</li> <li>• the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.</li> </ul>	<p><b>Our audit procedures in relation to the evaluation and disclosure of related party transactions included:</b></p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Standalone Financial Statements.</li> <li>- Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. We have also reviewed the Transfer Pricing Report of the Company in this regard.</li> <li>- Review of confirmation and reconciliation process and analytical review of various account balances and transaction balances amongst other things.</li> <li>- Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015.</li> <li>- Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul> <p>Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.</p>



**INDEPENDENT AUDITOR'S REPORT (Contd.)**

S. No.	Key Audit Matters	Auditor's Response
3	<p><b>Income Tax Provisions:</b> (Refer Note no. 7 to the Standalone Financial Statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write-back of provisions, due to the following factors:</p> <ul style="list-style-type: none"> <li>• The Company operates in a complex tax jurisdiction and is subject to periodic challenges by tax authorities on various matters relating to claims for tax exemptions / deductions.</li> <li>• Significant judgement involved in determining the possible outcome of uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements.</li> <li>• Provision for income tax and deferred tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.</li> </ul>	<p>Our audit procedures to assess the appropriateness of income tax provisions made included:</p> <ul style="list-style-type: none"> <li>- Analysing the current and deferred tax calculations for compliance with the relevant tax legislation</li> <li>- Evaluating management's assessment of the estimated manner in which the timing differences, including the recoverability of the deferred tax assets, would be realised by comparing this to evidence obtained in respect of other areas of the audit, including cash flow forecasts, business plans, minutes of directors' meetings, etc</li> <li>- Testing uncertain tax positions including understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies.</li> <li>- Discussing with appropriate senior management personnel, independently assessing management's estimate of the possible outcome of the disputed cases; and evaluating the management's underlying key assumptions in estimating the tax provisions.</li> <li>- Obtained details of completed tax assessments and demands as of 31st March, 2021 from the management.</li> <li>- Assessing the adequacy of the Company's disclosures for income taxes in the standalone financial statements.</li> </ul> <p>Our examination has showed that the provisions and disclosures are adequate.</p>
4	<p><b>Allowance for Receivables</b> (Refer Note no. 10 and 15 to the Standalone Financial Statements) The Company has trade receivables, subsidies receivable from Government agencies and advances to vendors. The Company determines the allowance for doubtful debts based on historical loss experience adjusted to reflect current and estimated future economic conditions, relating to industries the Company deals with and has receivables from. We identified allowance for doubtful debts as a key audit matter because of the significance of Trade Receivables balance to the standalone financial statements and considering that the Management exercises significant judgment in estimating the allowance for doubtful debts.</p>	<p><b>Our audit procedures to assess the appropriateness of allowance for trade receivables included:</b></p> <ul style="list-style-type: none"> <li>- Testing the accuracy of aging of trade receivables at year end on a sample basis;</li> <li>- Obtaining a list of outstanding receivables along confirmation of balances on a sample basis as per the auditing standards and identifying any debtors with financial difficulty through discussion with management.</li> <li>- Obtaining understanding of the process and controls over the determination of adequacy of allowance for doubtful debts.</li> <li>- Testing the design, implementation and operating effectiveness of relevant internal controls relating to collection of trade receivables and the calculation of the allowance for trade receivables.</li> <li>- Testing the mathematical accuracy and computation of the allowances by the Company.</li> <li>- In respect of subsidies receivables, we have evaluated that the period of realisation considered by the companies is in line with the past trends.</li> <li>- Evaluating the appropriateness of the presentation and disclosures made in the financial statements.</li> </ul> <p>Our examination has showed that the allowances are appropriate and adequate.</p>

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

S. No.	Key Audit Matters	Auditor's Response
5	<p><b>Litigation, Claims and Contingent Liabilities</b>            (Refer Note no. 44 to the Standalone Financial Statements)</p> <p>The Company operates in various states within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims.</p> <p>Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims.</p> <p>The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter. These estimates could change significantly over time as new facts emerge and each legal case progresses.</p> <p>The Company is involved in legal proceedings on disputed tax demands. The company's management has assessed that the probability of success of the demand is remote and accordingly has not provided for the disputed demands.</p> <p>This has been considered a key audit matter in view of the uncertain outcome of the litigations and involvement of significant management judgement in assessing the probability of outflow of economic resources.</p>	<p><b>Our audit procedures to assess the appropriateness of provisions and adequacy of disclosures included:</b></p> <ul style="list-style-type: none"> <li>- Reviewing the outstanding litigations against the Company for consistency with the previous years. Enquiring and obtaining explanations for movement during the year.</li> <li>- Reading the latest correspondence between the Company and the various tax/legal authorities</li> <li>- Discussing the status of significant litigation with the Company's in-house Legal Counsel and other senior management personnel and assessing their responses.</li> <li>- On sample basis, examine the Company's legal expenses and read the minutes of the board meetings, in order to ensure all cases have been identified.</li> <li>- With respect to tax matters, discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.</li> <li>- For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company's disclosures with regard to facts and circumstances of the legal and litigation matters</li> </ul> <p>On the basis of the above procedures performed, we considered the management's assessment in respect of contingencies and provision for taxes and other litigations and claims to be reasonable and disclosures to be appropriate</p>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility for Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements,

## INDEPENDENT AUDITOR'S REPORT (Contd.)

management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including travel restrictions, maintenance of social distancing

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management's estimates, assumptions, certificates and other information supplied electronically by the management on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) Without prejudice to the issues described under "Other matter" section, 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 it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal

financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

- (g) With respect to the other matters to be included in the Auditors 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 has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note no.44 to the Standalone Financial Statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021.

3. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

**For D. K Chhajjer & Co.**

*Chartered Accountants*

Firm Registration No.: 304138E

**Manoj K Roongta**

*Partner*

Membership No. 057761

UDIN: 21057761AAAAAQ6080

Place : Kolkata

Date: 09 June, 2021

## Annexure A to the Independent Auditor's Report

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 1 of our Independent Auditors' Report of even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of physical verification to cover all the items of fixed assets in at regular intervals of time which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the records of the Company examined by us and according to the information and explanations given to us, no material discrepancies were noticed on such verification .
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
- ii. The inventory, except goods in transit has been physically verified by the Management at reasonable intervals during the year by the Management. In respect of goods in transit, subsequent goods receipts have been verified. The discrepancies noticed on verification between the physical stock and the book records have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)[(a), (b) and (c)] of the said Order are not applicable to the Company.
- b) According to the information and explanations given to us, the details of dues of Excise Duty, Cess and Royalty, VAT/ GST/MEPRF on Coal not deposited by the Company on account of dispute are given below:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	51.42	2009-10 to 2013-14	CESTAT
The Central Excise Act, 1944	Excise Duty	9.50	Jan-'05 to Sep-'05	CESTAT
The Central Excise Act, 1944	Excise Duty	8.99	Oct-'05 to Jul-'06	CESTAT
The Central Excise Act, 1944	Excise Duty	1.48	Aug-'06 to Oct-'06	CESTAT
The Central Excise Act, 1944	Excise Duty	566.05	Dec-'04 to Jan'13	Meghalaya High Court
MMDR, GST & VAT Act	Royalty, MEPRF, GST/ VAT	4,184.06	2014-15 to 2018-19	Supreme Court
The Finance Act'1994	Service Tax	383.19	Apr' 2016 to June' 2017	Joint Commissioner, CGST, Shillong



Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	22.51	2012-13	Additional Commissioner of Customs (preventive), Bhubaneswar
The Finance Act'1994	Service Tax	216.58	Oct'14 to June'17	Additional Commisiioner of Central Tax & Central Excise, CGST Commisionerate, Guwahati, Assam
Central Goods and Services Tax Act, 2017	Transistional Credit	16.29	upto June'17	Assistant Commissioner, Guwahati, Division-II
Income Tax act,1961	Demand Payable	49.61	A.Y-2017-18	Additional Commissioner of Income Tax/ Income-tax Officer, National e-Assessment Centre, Delhi

- viii. The Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loan from financial institutions or Government and has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer/ further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. However, there was a cash theft of Rs. 50 Lakhs by an contractual employee during the year against which insurance claim has been filed by the Company ( Refer Note 15 to the standalone financial statements)
- xi. According to the information and explanation given to us and the records of the Company examined by us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable Indian accounting standards.
- xiv. During the year the Company has not made any preferential allotment/private placements of shares/ fully/partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanation given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) is not applicable to the Company.

**For D. K Chhajer & Co.**  
*Chartered Accountants*  
 Firm Registration No.: 304138E

**Manoj K Roongta**  
*Partner*  
 Membership No. 057761  
 UDIN: 21057761AAAAAQ6080

Place : Kolkata  
 Date: 09 June, 2021

## Annexure B to the Independent Auditor's Report

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 2(f) of our Independent Auditors' report of even date)

### Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to the standalone financial statements of Star Cement Limited ("the Company") as at 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, read with impact of COVID- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761  
UDIN: 21057761AAAAAQ6080

Place : Kolkata  
Date: 09 June, 2021

# STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
(a) Property, Plant and Equipment	2	43,248.83	27,117.61
(b) Capital work-in-progress	2.1	10,975.19	22,308.49
(c) Right-of-use assets	2.2	261.33	284.62
(d) Intangible assets	2.3	32.39	21.58
(e) Investment in subsidiaries	3	27,773.77	23,744.65
(f) Financial assets			
(i) Other Investments	4	142.34	135.81
(ii) Loans	5	426.63	428.21
(g) Deferred tax assets (net)	6	18,768.84	17,351.44
(h) Non current tax assets (net)	7	69.49	79.08
(i) Other non-current assets	8	4,053.68	4,358.31
<b>Total non-current assets</b>		<b>1,05,752.49</b>	<b>95,829.80</b>
<i>Current assets</i>			
(a) Inventories	9	9,487.45	8,425.82
(b) Financial assets			
(i) Trade receivables	10	13,108.71	10,693.35
(ii) Cash and cash equivalents	11	21,428.38	23,623.76
(iii) Other Bank balances (other than (ii) above)	12	16,577.77	2,597.35
(iv) Loans	13	1,664.30	1,508.77
(v) Other financial assets	14	39.63	40.05
(c) Other current assets	15	21,231.26	19,152.50
<b>Total current assets</b>		<b>83,537.50</b>	<b>66,041.60</b>
<b>Total assets</b>		<b>1,89,289.99</b>	<b>1,61,871.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	4,124.29	4,124.29
(b) Other equity	17	1,23,414.10	1,07,681.47
<b>Total equity</b>		<b>1,27,538.39</b>	<b>1,11,805.76</b>
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
(a) Financial liabilities			
(i) Borrowings	18	11,533.46	14,285.52
(ii) Other financial liabilities (Incl. Lease Liabilities)	19	13,028.83	10,914.36
(b) Provisions	20	326.98	241.50
(c) Other non current liabilities	21	47.83	57.05
<b>Total non-current liabilities</b>		<b>24,937.10</b>	<b>25,498.43</b>
<i>Current liabilities</i>			
(a) Financial liabilities			
(i) Borrowings	22	685.82	513.49
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		456.48	399.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,056.98	9,112.46
(iii) Other financial liabilities (Incl. Lease Liabilities)	23	11,196.70	10,235.96
(b) Provisions	24	353.35	318.08
(c) Other current liabilities	25	4,814.55	3,988.09
(d) Current tax liabilities (net)	26	250.62	-
<b>Total current liabilities</b>		<b>36,814.50</b>	<b>24,567.21</b>
<b>Total liabilities</b>		<b>61,751.60</b>	<b>50,065.64</b>
<b>Total equity and liabilities</b>		<b>1,89,289.99</b>	<b>1,61,871.40</b>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Sanjay Kumar Gupta**  
Chief Executive Officer

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

**Manoj K Roongta**  
Partner  
Membership No. 057761

**Manoj Agarwal**  
Chief Financial Officer

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date: 9th June, 2021

**Debabrata Thakurta**  
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
<b>INCOME</b>			
Revenue from operations	27	1,66,399.97	1,77,326.68
Other income	28	2,116.19	2,806.89
<b>Total income</b>		<b>1,68,516.16</b>	<b>1,80,133.57</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	67,779.17	62,541.51
Cost of stock-in-Trade	30	5,777.09	11,009.28
Changes in inventories of finished good and work- in- progress	31	(361.28)	(654.42)
Employee benefit expenses	32	8,670.65	8,209.90
Finance costs	33	1,255.87	1,955.94
Depreciation and amortisation expenses	34	4,773.29	4,331.89
Other expenses	35	60,435.89	67,639.47
<b>Total expenses</b>		<b>1,48,330.68</b>	<b>1,55,033.57</b>
<b>Profit before exceptional items and tax</b>		<b>20,185.48</b>	<b>25,100.00</b>
Exceptional Items (Refer Note 45)		2,931.36	-
<b>Profit before tax</b>		<b>17,254.12</b>	<b>25,100.00</b>
<b>Tax expenses</b>			
- Current tax	36	2,946.37	4,309.68
- Income tax for earlier years		-	(36.79)
- Deferred tax		(1,419.46)	(1,043.58)
<b>Total tax expenses</b>		<b>1,526.91</b>	<b>3,229.31</b>
<b>Profit for the year</b>		<b>15,727.21</b>	<b>21,870.69</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations	38	7.49	(33.20)
Income tax related to above		(2.07)	11.60
<b>Other comprehensive income for the year, (net of tax)</b>		<b>5.42</b>	<b>(21.60)</b>
<b>Total comprehensive income for the year</b>		<b>15,732.63</b>	<b>21,849.09</b>
<b>Earnings per equity share (face value of ₹ 1 each)</b>			
Basic earning per share (₹)	37	3.81	5.25
Diluted earning per share (₹)		3.81	5.25
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajjer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761

Place : Kolkata  
Date: 9th June, 2021

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

For and on behalf of the Board of Directors

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

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171

# STANDALONE STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31ST MARCH, 2021

### A. Equity share capital

Particulars	Amount
<b>As at 1st April, 2019</b>	<b>4,192.29</b>
Changes in equity share capital	(68.00)
<b>As at 31st March, 2020</b>	<b>4,124.29</b>
Changes in equity share capital	-
<b>As at 31st March, 2021</b>	<b>4,124.29</b>

### B. Other equity

Particulars	Reserve and surplus				Total other equity
	Capital Redemption Reserve Account	Capital reserve	General reserve	Retained Earnings	
<b>Balance as at 1st April, 2019</b>	-	<b>643.53</b>	<b>3,187.83</b>	<b>97,105.07</b>	<b>1,00,936.43</b>
Addition during the year	68.00	-	-	-	68.00
Profit for the year (a)	-	-	-	21,870.69	21,870.69
Payment of Interim Dividend for the year 2019-20 (b)	-	-	-	(4,124.29)	(4,124.29)
Tax on Interim Dividend for the year 2019-20 (c)	-	-	-	(847.76)	(847.76)
Buyback of Shares for the year 2019-2020 (d)	-	-	-	(10,200.00)	(10,200.00)
Other comprehensive income / (loss) (net of tax) (e)	-	-	-	(21.60)	(21.60)
<b>Total comprehensive income for the year (a + b + c + d + e)</b>	<b>68.00</b>	<b>-</b>	<b>-</b>	<b>6,677.04</b>	<b>6,745.04</b>
<b>Balance as at 31st March, 2020</b>	<b>68.00</b>	<b>643.53</b>	<b>3,187.83</b>	<b>1,03,782.11</b>	<b>1,07,681.47</b>
Addition during the year	-	-	-	-	-
Profit for the year (a)	-	-	-	15,727.21	15,727.21
Other comprehensive income / (loss) (net of tax) (b)	-	-	-	5.42	5.42
<b>Total comprehensive income for the year (a + b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,732.63</b>	<b>15,732.63</b>
<b>Balance as at 31st March, 2021</b>	<b>68.00</b>	<b>643.53</b>	<b>3,187.83</b>	<b>1,19,514.74</b>	<b>1,23,414.10</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajer & Co.**  
 Chartered Accountants  
 Firm Registration No.: 304138E

**Manoj K Roongta**  
 Partner  
 Membership No. 057761

Place : Kolkata  
 Date: 9th June, 2021

**Sanjay Kumar Gupta**  
 Chief Executive Officer

**Manoj Agarwal**  
 Chief Financial Officer

**Debabrata Thakurta**  
 Company Secretary

**For and on behalf of the Board of Directors**

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

**Rajendra Chamaria**  
 Vice-Chairman & Managing Director  
 DIN:00246171



# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<b>A. Cash flow from operating activities</b>		
Net Profit/(loss) before Tax	17,254.12	25,100.00
<b>Adjustments for :</b>		
Depreciation and amortisation	4,573.66	4,189.88
Amortisation of Right-of-use- assets	199.63	142.01
(Profit)/ Loss on Sale of Property ,Plant and Equipment	31.95	(0.70)
Interest and Dividend Income (Refer Note 28)	(2,017.99)	(2,796.81)
Finance Costs (Refer Note 33)	1,255.87	1,955.94
Fair Valuation (gain)/ Loss on investments	(6.53)	14.57
Allowance for doubtful trade receivables	(10.79)	(0.81)
<b>Operating Profit before working Capital changes</b>	<b>21,279.92</b>	<b>28,604.08</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade receivables	(2,404.57)	2,101.55
(Increase)/Decrease in Inventories	(1,061.64)	(421.03)
(Increase )/Decrease in Loans	(95.43)	(252.39)
(Increase )/Decrease in Other assets	(384.40)	18,028.36
Increase /(Decrease ) in Trade and Other payables	10,001.87	61.29
Increase /(Decrease ) in Other Liabilities and Provisions	3,824.95	1,275.26
<b>Cash Generated from Operations</b>	<b>31,160.70</b>	<b>49,397.12</b>
Income Tax Paid	(2,500.00)	(4,100.00)
<b>Net Cash flow from Operating Activities</b>	<b>28,660.70</b>	<b>45,297.12</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property ,Plant and Equipment ( including CWIP)	(9,670.95)	(22,120.37)
Sale of Property ,Plant and Equipment ( including CWIP)	56.98	19.77
Investments in Fixed Deposits/Margin Money (Net)	(13,980.42)	9,042.62
Purchase of Investments	(4,029.12)	-
Interest Received	603.05	1,600.46
<b>Net Cash used in Investing Activities</b>	<b>(27,020.47)</b>	<b>(11,457.52)</b>
<b>C. Cash Flow from Financing Activities</b>		
Buy back of Equity Shares	-	(10,200.00)
Payment of Dividend ( including Dividend Distribution Tax)	-	(4,972.05)
Interest paid	(1,226.56)	(1,930.07)
Repayment from Long Term Borrowings / Liabilities	(2,752.06)	(855.82)
Repayment from Short Term Borrowings	-	(9.16)
Proceeds from Short Term Borrowings	172.32	-
Payment of Lease liability	(29.32)	(25.88)
<b>Net Cash used in Financing Activities</b>	<b>(3,835.62)</b>	<b>(17,992.98)</b>
<b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>(2,195.38)</b>	<b>15,846.62</b>
<b>Cash and Cash Equivalents-</b>		
<b>Opening Balance</b>	<b>23,623.76</b>	<b>7,777.14</b>
<b>Closing Balance</b>	<b>21,428.38</b>	<b>23,623.76</b>

**STANDALONE CASH FLOW STATEMENT  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flows".
3. For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Cash in hand	45.75	19.32
Cheques in hand	66.64	50.21
Balance with Banks	21,315.99	23,554.23
	<b>21,428.38</b>	<b>23,623.76</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For and on behalf of the Board of Directors**

**For D. K Chhajer & Co.**  
 Chartered Accountants  
 Firm Registration No.: 304138E

**Manoj K Roongta**  
 Partner  
 Membership No. 057761

Place : Kolkata  
 Date: 9th June, 2021

**Sanjay Kumar Gupta**  
 Chief Executive Officer

**Manoj Agarwal**  
 Chief Financial Officer

**Debabrata Thakurta**  
 Company Secretary

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

**Rajendra Chamaria**  
 Vice-Chairman & Managing Director  
 DIN:00246171

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2021

### CORPORATE INFORMATION

Star Cement Limited ("the Company") is a public limited Company domiciled in India and incorporated on 2nd November, 2001 as per the provisions of the Companies Act. The Company is engaged in the manufacturing and selling of Cement Clinker & Cement. The manufacturing units are located at Lumshnong, Meghalaya, Guwahati, Assam & Siliguri, West Bengal. The Company is selling its product across north eastern and eastern states of India.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015], amendments thereto, and other relevant provisions of the Act.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 09th June, 2021

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

##### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Net defined benefit asset/liability which is Fair value of plan assets less present value of defined benefit obligations
- Certain financial assets and financial liabilities that are measured at fair value.

##### (iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### 1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although

these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

- i) Classification of legal matters and tax litigation
- ii) Defined benefit obligations
- iii) Useful life of Property, Plant and Equipment
- iv) Leases Ind AS 116

#### 1.3 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Star Cement Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss. All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The Company has adopted the provisions of para D13AA of Ind AS 101, "First- Time Adoption of Indian Accounting Standards" for recognising exchange differences for long-term foreign currency monetary items as on the date of Ind AS adoption, as per the provision of para 46A of AS-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable Property, Plant and Equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

**1.4 Property, Plant and Equipment**

Property, Plant and Equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortisation and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. Railway sidings the ownership of which vests with the Railway authorities are depreciated over five years.

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced the Company depreciates them separately based on their specific useful lives.. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

**Capital Work In Progress**

Property, Plant and Equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets"

**Expenditure during construction period**

In case of new projects and substantial expansion of existing units, expenditure incurred including trial

production expenses net of revenue earned, and attributable interest and financing costs, until the project is ready for its intended use are capitalised.

**Depreciation**

Depreciation on Property, Plant and Equipment is provided on Written Down Value (WDV) 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. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Office building is owned by the Company and is amortised using the straight- line method over the period of lease of land on which it is constructed. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognised 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 recognised impairment loss is further provided or reversed depending on changes in circumstances.

**1.5 Intangible Asset**

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

**1.6 Research and Development Expenditure**

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

**1.7 Lease-****As a Lessee:**

The Company applies a single recognition and measurement approach for all leases, except for

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset and lease payments made at or before the commencement date less any lease incentives received. After the commencement date, the Right of use assets are measured applying the Cost model. They are subsequently measured at cost, less any accumulated depreciation, adjustments for any remeasurement of the lease liabilities and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

### 1.8 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/reimbursement of any particular item of expenses are recognised in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Balance Sheet as deferred income, are recognised to the Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expense

### 1.9 Inventories

#### Raw materials, stores and spare parts, fuel and packing material:

Raw materials, stores and spares and fuel and packing material are valued at lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

#### Work-in-progress, finished goods and stock in trade:

Work-in-progress, finished goods and stock in trade are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on weighted average basis.

Net realisable 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.



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****1.10 Business combinations**

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

**1.11 Investment in Subsidiaries**

The Company's investments in its subsidiaries are carried at cost.

**1.12 Investments and other financial assets****Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collections of contractual cash flows and for selling the

financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments**

The Company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

**Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

**1.13 Trade receivables**

Trade receivables are recognised initially at transaction price. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

revenue recognised shall be presented as an expense. Subsequently, the trade receivables are measured at cost less expected credit losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. The Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The loss allowance is measured at an amount equal to lifetime expected credit losses.

### 1.14 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and demand deposits with banks and other short-term highly liquid investments/deposits that are readily convertible into cash which are subject to insignificant risk of changes in value with an original maturity of three months or less.

### 1.15 Financial liabilities

#### Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

#### Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### 1.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### 1.17 Borrowing Costs

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

### 1.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 1.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 1.20 (A) Revenue Recognition

Revenue from sale of goods is recognised when control of the products has been transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence/ loss has been transferred

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based fair on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/(loss).

**Unfulfilled performance obligations**

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/dispensed till the end of a reporting period these are recorded.

A contract liability is not recognised until the benefit is provided.

**(B) Other Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when right to receive is established (provided that it is probable that the

economic benefits will flow to the Company and the amount of income can be measured reliably).

**1.21 Employee Benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Defined Contribution Plan**

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

**(iii) Defined Benefit Plan**

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

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

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

**1.22 Tax Expenses**

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

Deferred tax is computed on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred taxes are recognised in profit and loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the taxes are recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognised to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period

### 1.23 Earnings Per Share

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

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

### 1.24 Provisions and Contingencies

A Provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

### 1.25 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### 1.26 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**2. PROPERTY, PLANT AND EQUIPMENT**

Particulars	(₹ in Lakhs)											
	Land & Site Development	Office Building	Factory Building	Non Factory Building	Plant & Machinery	Railway Sidding	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Tools & Tackles	Total
<b>Gross Carrying Value</b>												
<b>At 1st April, 2019</b>	5,317.29	-	4,756.91	3,190.90	22,588.82	1,557.00	353.48	149.57	213.59	1,516.04	190.51	39,834.12
Additions	204.02	1,203.16	2.51	188.81	772.25	2,006.90	503.87	306.14	112.26	478.74	131.66	5,910.33
Disposals/deductions/adjustments	-	-	-	-	-	-	0.17	3.20	-	19.91	-	23.28
<b>At 31st March, 2020</b>	5,521.32	1,203.16	4,759.42	3,379.71	23,361.08	3,563.90	857.18	452.51	325.85	1,974.87	322.18	45,721.17
Additions	655.08	-	3,964.38	90.01	15,102.65	328.26	74.23	50.96	63.59	597.49	26.50	20,953.15
Disposals/deductions/adjustments	-	-	-	-	125.78	-	6.48	3.71	7.06	81.22	12.82	237.07
<b>At 31st March, 2021</b>	6,176.40	1,203.16	8,723.80	3,469.72	38,337.95	3,892.16	924.93	499.76	382.38	2,491.14	335.86	66,437.25
<b>Accumulated Depreciation</b>												
<b>At 1st April, 2019</b>	-	-	1,166.96	810.16	11,331.58	0.77	170.29	87.79	127.64	438.40	92.24	14,225.83
Charge for the year	-	47.14	339.86	170.67	2,817.89	282.74	160.75	128.22	70.57	344.54	33.12	4,395.49
Disposals/deductions/adjustments	-	-	-	-	-	-	0.16	-	-	17.60	-	17.76
<b>At 31st March, 2020</b>	-	47.14	1,506.82	980.82	14,149.48	283.51	330.87	216.01	198.20	765.35	125.36	18,603.56
Charge for the year	-	54.35	386.07	175.50	2,688.76	617.98	140.45	111.29	65.99	409.37	45.32	4,695.08
Disposals/deductions/adjustments	-	-	-	-	33.80	-	1.79	1.07	2.86	63.84	6.86	110.22
<b>At 31st March, 2021</b>	-	101.49	1,892.89	1,156.32	16,804.44	901.49	469.53	326.23	261.33	1,110.88	163.82	23,188.42
<b>Net Carrying Value</b>												
At 31st March, 2020	5,521.32	1,156.02	3,252.60	2,398.89	9,211.60	3,280.39	526.31	236.50	127.64	1,209.53	196.82	27,117.61
<b>At 31st March, 2021</b>	6,176.40	1,101.67	6,830.91	2,313.40	21,533.51	2,990.67	455.40	173.53	121.05	1,380.26	172.04	43,248.83



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 2.1 Capitalisation of Expenditures

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Balance at the beginning of the year included in capital work-in-progress	22,308.49	6,051.61
Add : Expenditure during construction for projects	9,338.25	19,991.62
Less : Capitalised during the year	20,671.55	3,734.74
Balance at the end of the year included in capital work-in-progress	<b>10,975.19</b>	<b>22,308.49</b>

### 2.2 Right-of-use assets

(₹ in Lakhs)

Particulars	Non Factory Building
<b>Gross Carrying Value</b>	
<b>At 1st April, 2019</b>	-
Addition (Transitional impact on adoption of Ind AS 116)	432.88
Disposals	-
<b>At 31st March, 2020</b>	<b>432.88</b>
Addition	201.48
Disposals	13.59
<b>At 31st March, 2021</b>	<b>620.77</b>
<b>Accumulated Depreciation</b>	
<b>At 1st April, 2019</b>	-
charge for the year	148.26
Disposals/deductions/adjustment	-
<b>At 31st March, 2020</b>	<b>148.26</b>
charge for the year	211.18
Disposals/deductions/adjustment	-
<b>At 31st March, 2021</b>	<b>359.44</b>
<b>Net Carrying Value</b>	
At 31 March, 2020	284.62
<b>At 31st March, 2021</b>	<b>261.33</b>

### 2.3 Intangible assets

(₹ in Lakhs)

Particulars	Intangible Assets
<b>Gross Carrying Value</b>	
<b>At 1st April, 2019</b>	<b>62.60</b>
Additions	13.52
Disposals/deductions/adjustments	-
<b>At 31st March, 2020</b>	<b>76.12</b>
Additions	22.54
Disposals/deductions/adjustments	0.19
<b>At 31st March, 2021</b>	<b>98.47</b>
<b>Accumulated Deprecation</b>	
<b>At 1st April, 2019</b>	<b>44.22</b>
Additions	10.32
Disposals/deductions/adjustments	-
<b>At 31st March, 2020</b>	<b>54.54</b>
Charge for the year	11.54
Disposals/deductions/adjustments	-
<b>At 31st March, 2021</b>	<b>66.08</b>
<b>Net Carrying Value</b>	
At 31 March, 2020	21.58
<b>At 31st March, 2021</b>	<b>32.39</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

- During the year Company has sold/ discarded Property, Plant and Equipment amounting to ₹ 237.07 Lakhs (31st March, 2020 - ₹ 23.38 Lakhs).
- Depreciation for the year includes ₹ 121.58 Lakhs (31st March, 2020 - ₹ 131.71 Lakhs) capitalised as Pre-operative expenses.
- Depreciation on RTU for the year includes ₹ 11.54 Lakhs ( 31st March, 2020 - ₹ 6.25 Lakhs) capitalised as Pre-operative expenses.

**3. INVESTMENT IN SUBSIDIARIES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<b>Investment in Subsidiaries at cost - Unquoted</b>		
<b>Megha Technical &amp; Engineers Private Limited</b>	2,734.64	2,734.64
2,73,46,400 (2,73,46,400 as at 31st March, 2020) Equity Shares of ₹ 10/- each fully paid up		
<b>Star Century Global Cement Private Limited</b>	20.03	20.03
300 (300 as at 31st March, 2020) Equity Share of USD 100 each fully paid up		
<b>Star Cement Meghalaya Limited</b>	17,414.67	17,414.67
2,60,88,656 (2,60,88,656 as at 31st March, 2020) Equity Shares of ₹ 10 each fully paid up		
<b>Meghalaya Power Limited</b>	7,597.43	3,568.31
1,71,30,620 (87,36,620 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
<b>NE Hills Hydro Limited</b>	7.00	7.00
70,000 (70,000 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
	<b>27,773.77</b>	<b>23,744.65</b>

- 3.1** During the year the Company has purchased 83,94,000 Equity Shares @ ₹ 48 /- each of Meghalaya Power Limited and the Meghalaya Power Limited became a Wholly Owned Subsidiary of the Company.

**4. OTHER INVESTMENTS - NON-CURRENT**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<b>Investment at FVTPL</b>		
<i>Investment in Unquoted Equity Instruments</i>		
<b>Adonis Vyapaar Private Limited</b>	35.52	33.95
3,55,509 (3,55,509 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
<b>Apanapan Viniyog Private Limited</b>	35.52	33.95
3,55,509 (3,55,509 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
<b>Ara Suppliers Private Limited</b>	35.37	33.81
3,55,509 (3,55,509 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
<b>Arham Sales Private Limited</b>	35.55	33.99
3,55,509 (3,55,509 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
<i>Investment in Quoted Equity Instruments</i>		
<b>Reliance Power Limited</b>	0.38	0.11
8,743 (8,743 as at 31st March, 2020) Equity Share of ₹ 10 each fully paid up		
	<b>142.34</b>	<b>135.81</b>
Aggregate market value of Quoted investment	0.38	0.11
Aggregate carrying amount of Quoted investment	24.54	24.54
Aggregate amount of unquoted investments	27,915.73	23,880.35

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**5. LOANS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
Security deposits	426.63	428.21
	<b>426.63</b>	<b>428.21</b>

**6. DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Deferred tax assets</i>		
Gratuity and leave encashment	237.74	126.73
Property, Plant and Equipment	916.78	830.77
MAT credit entitlement	17,614.32	16,393.94
<b>Deferred tax assets (net)</b>	<b>18,768.84</b>	<b>17,351.44</b>

**7. NON CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Advance income tax & TDS Receivables (net of provision for taxation of ₹ 4,313.25 Lakhs for 31st March, 2021 and ₹ 4,313.25 Lakhs for 31st March, 2020)	69.49	79.08
	<b>69.49</b>	<b>79.08</b>

**8. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
Deposit with statutory authorities	37.53	81.52
Capital advances (Refer note 8.1 below)	4,016.15	4,276.79
	<b>4,053.68</b>	<b>4,358.31</b>

**8.1** Capital Advances includes advance against land of ₹ 2,052.33 Lakhs. The Company is in the process of getting registration in its name.

**9. INVENTORIES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<b>(Valued at Lower of Cost or Net Realisable Value)</b>		
Raw materials (including in transit as at 31st March, 2021 - ₹ 925.57 Lakhs and 31st March, 2020 - ₹ 78.70 Lakhs)	3,628.56	3,048.13
Work - in - progress	22.13	24.69
Finished goods (including in transit as at 31st March, 2021 - ₹ 470.24 Lakhs and 31st March, 2020 - ₹ 131.71 Lakhs)	2,166.92	1,610.42
Stock in trade (including in transit as at 31st March, 2021 - ₹ Nil and 31st March, 2020 - ₹ Nil)	-	59.65
Fuels, packing materials, etc.	819.99	1,382.23
Stores & spares parts	2,849.85	2,300.70
	<b>9,487.45</b>	<b>8,425.82</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**10. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Secured considered Good	5,895.67	4,787.89
Unsecured, considered good	7,213.04	5,905.46
Considered doubtful	54.11	64.90
Less: Allowance for doubtful trade receivables	(54.11)	(64.90)
	<b>13,108.71</b>	<b>10,693.35</b>

**11. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Cash in hand	45.75	19.32
Cheques in hand	66.64	50.21
Balance with Banks		
- In current accounts/cash credit accounts	380.37	446.07
- In Fixed Deposit accounts including interest with original maturity of upto 3 months	20,935.62	23,108.16
	<b>21,428.38</b>	<b>23,623.76</b>

**12. OTHER - BANK BALANCES (OTHER THAN NOTE 11 ABOVE)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Unpaid dividend account [Refer Note 12.1 below]	14.40	9.62
In Fixed Deposit accounts including interest with original maturity of more than 3 months and upto 12 months	16,452.02	2,500.84
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months [Refer Note 12.1 below]	111.35	86.89
	<b>16,577.77</b>	<b>2,597.35</b>

**12.1** The bank balance disclosed above represents margin money against bank guarantee and unpaid dividend account are subject to regulatory restrictions and are therefore not available for general use by the Company.

**13. LOANS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
Security deposits	58.98	156.82
Loans to Body Corporate (other than related party)	1,605.32	1,351.95
	<b>1,664.30</b>	<b>1,508.77</b>

**14. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
-Advances recoverable from an associate	39.63	40.05
	<b>39.63</b>	<b>40.05</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**15. OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Unsecured, considered good		
-Advances to suppliers	2,176.76	1,111.66
-Stamp paper in hand	0.24	0.20
-Advances to employees	89.29	76.21
-Balances with statutory/government authorities	3,418.37	2,780.13
-Subsidies /incentives receivable from central/state governments	13,814.32	14,433.01
-Advances for services & expenses	747.32	264.26
-Prepaid expenses	934.96	487.03
-Insurance Claim Receivable against cash theft	50.00	-
Unsecured, considered doubtful		
-Doubtful advances	7.09	7.09
Less: Allowance for bad & doubtful advances	(7.09)	(7.09)
	<b>21,231.26</b>	<b>19,152.50</b>

**16. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Authorised capital	8,300.00	8,300.00
83,00,00,000 (83,00,00,000 as at 31st March, 2020) Equity Shares of ₹ 1/- each fully paid		
Issued, subscribed & fully paid -up shares	4,124.29	4,124.29
41,24,28,997 (41,24,28,997 as at 31st March, 2020,) Equity Shares of ₹ 1/- each fully paid	<b>4,124.29</b>	<b>4,124.29</b>

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

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 dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

- b During the previous year the Company has bought back 68,00,000 Equity Shares of ₹ 1 each from all the existing shareholders/ beneficial owners of the Company as on record date i.e. 5th July, 2019 on a proportionate basis through tender offer route at a price of ₹ 150/- each for an aggregate amount of ₹ 1,02,00,00,000/-. The payments have been made to all the eligible shareholders on 15th November, 2019, subsequently the bought back shares have been extinguished.
- c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity shares	No. of Shares	No. of Shares
At the beginning of the year	41,24,28,997	41,92,28,997
Buyback of shares for the year 2019-2020	-	(68,00,000)
Outstanding at the end of the year	<b>41,24,28,997</b>	<b>41,24,28,997</b>

**d Details of shareholders holding more than 5% of equity share capital**

Name of the shareholders	No. of Shares % of holding	No. of Shares % of holding
Sajjan Bhajanka	4,68,31,636 11.36%	4,67,21,636 11.33%
Prem Bhajanka	3,77,18,954 9.15%	3,77,18,954 9.15%
SBI Equity Hybrid Fund	2,50,13,431 6.06%	2,37,44,583 5.76%



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

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

**17. OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Capital reserve		
Opening Balance	643.53	643.53
Addition/(deduction) during the year	-	-
	<b>643.53</b>	<b>643.53</b>
Capital Redemption Reserve Account		
Balance as per last account	68.00	-
Addition during the year-Transferred from Retained Earning	-	68.00
	<b>68.00</b>	<b>68.00</b>
General reserve		
Opening Balance	3,187.83	3,187.83
Addition/(deduction) during the year	-	-
	<b>3,187.83</b>	<b>3,187.83</b>
Retained earnings		
Opening Balance	1,03,782.11	97,105.07
Profit /(loss) for the year	15,727.21	21,870.69
Less: Appropriations		
Payment of Interim Dividend for the year 2019-2020	-	(4,124.29)
Tax on Interim Dividend for the year 2019-2020	-	(847.76)
Buyback of Shares for the year 2019-2020	-	(10,200.00)
Other comprehensive income		
Remeasurement of post-employment benefit obligations (net of tax)	5.42	(21.60)
	<b>1,19,514.72</b>	<b>1,03,782.11</b>
<b>Total Other equity</b>	<b>1,23,414.10</b>	<b>1,07,681.47</b>

**Nature and purpose of reserves**
*Capital Reserve*

During amalgamation with Star Ferro and Cement Limited, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

*Capital Redemption Reserve*

In accordance with section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

*General reserve*

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

*Retained earnings*

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**18. BORROWINGS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Loans from related party (unsecured)</i>		
- From a subsidiary [Refer Note (a) below and Note 46]	11,533.46	14,284.46
<i>Other loans (secured)</i>		
-Hire purchase finance from banks [Refer Note (b) below]	1.06	28.89
Less: Current maturities of long term borrowings	(1.06)	(27.83)
	<b>11,533.46</b>	<b>14,285.52</b>

**Notes-**

- (a) Term loan from a related party (subsidiary company) is long term in nature i.e. payable in 5 years.
- (b) Hire purchase finance is secured by hypothecation of respective vehicles and is repayable within three years having varying date of payment.
- (c) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

**19. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Security deposit	12,882.48	10,747.62
Lease Liabilities (Refer Note 42)	146.35	166.74
	<b>13,028.83</b>	<b>10,914.36</b>

**20. PROVISIONS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Provision for employee benefits (Refer Note 38)		
- Gratuity	326.98	241.50
	<b>326.98</b>	<b>241.50</b>

**21. OTHER NON CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
-Deferred government grant	47.83	57.05
	<b>47.83</b>	<b>57.05</b>

**22. BORROWINGS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Secured-Repayable on demand</i>		
Working capital facilities from banks [Refer Note (a) below]		
- Cash credit	685.82	513.49
	<b>685.82</b>	<b>513.49</b>

**Notes-**

- (a) Working Capital facilities of ₹ 541.23 Lakhs (31st March, 2020 : ₹ 296.38 Lakhs) from banks are secured by pari passu first charge on current assets and Property, Plant and Equipment of the Company's cement grinding unit at Guwahati, Assam.
- Working capital facilities of ₹ 144.59 Lakhs (31st March, 2020 : ₹ 217.11 Lakhs) from banks are secured by pari passu first charge on current assets and Property, Plant and Equipment of the Company's cement plant at Lumshnong, Meghalaya.
- These working capital facilities have been guaranteed by some of the Directors of the Company. (Refer Note 46)

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**23. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES)**

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Current maturities of long term borrowings	1.06	27.83
Interest accrued but not due on borrowings	0.01	0.19
Unclaimed dividend	14.40	9.62
Other payables		
-Creditors for capital goods	602.63	992.27
-Salary and bonus to employees	462.33	231.37
-Retention money	427.16	216.37
- Lease Liabilities (Refer Note 42 )	133.14	129.02
-Creditors for services and expenses	2,936.34	3,146.50
-Discounts and incentives to dealers	4,224.09	3,279.95
-Creditors for employees expenses	32.64	32.57
-Other liabilities	2,362.90	2,170.27
	<b>11,196.70</b>	<b>10,235.96</b>

**23.1** Amount to be transferred to the Investor Education and Protection Fund shall be determined on the respective due date and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

**24. PROVISIONS**

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Provision for employee benefits (Refer Note 38)		
-Leave encashment	291.16	256.74
-Gratuity	62.19	61.34
	<b>353.35</b>	<b>318.08</b>

**25. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Other payables		
Statutory liabilities	3,572.26	2,074.74
Advances from customer	1,233.07	1,901.97
Current portion of Deferred government grant	9.22	11.38
	<b>4,814.55</b>	<b>3,988.09</b>

**26. CURRENT TAX LIABILITIES (NET)**

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Provision for taxation (net of advance income tax as at 31st March, 2021 ₹ 2,705.81 Lakhs , ₹ Nil as at 31st March, 2020)	250.62	-
	<b>250.62</b>	<b>-</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**27. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Sale of products</i>		
Domestic	1,65,874.96	1,76,869.43
Export	249.92	4.62
	<b>1,66,124.88</b>	<b>1,76,874.05</b>
<i>Other operating income</i>		
Sale of Scrap	77.49	133.67
Bad Debts Recovery Account	2.19	0.81
Others	195.41	318.15
	<b>1,66,399.97</b>	<b>1,77,326.68</b>

**Note:**

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Revenue as per contract price	1,80,397.83	1,91,797.57
Discount and incentives	(14,272.95)	(14,923.52)
<b>Revenue as per statement of profit and loss</b>	<b>1,66,124.88</b>	<b>1,76,874.05</b>

**28. OTHER INCOME**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Interest income from financial instrument measured at amortised cost</i>		
Bank deposits	1,929.76	2,538.10
Interest on Loan	88.22	254.10
Others	8.08	4.60
Fair Value of Equity Instrument	6.53	(14.57)
Miscellaneous receipts	83.60	24.65
	<b>2,116.19</b>	<b>2,806.89</b>

**29. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Inventory at the beginning of the year	3,048.13	2,323.50
Add: Purchases	68,359.60	63,266.14
	<b>71,407.73</b>	<b>65,589.65</b>
Less : Inventory at the end of the year	3,628.56	3,048.13
	<b>67,779.17</b>	<b>62,541.51</b>

(₹ in Lakhs)

Details of Raw materials Consumed	31st March, 2021	31st March, 2020
Limestone	1,142.66	1,264.49
Shale	96.46	136.41
Iron Mill Scale	159.72	135.91
Clinker	52,661.98	46,801.70
Fly ash	11,497.40	12,608.48
Gypsum	2,159.34	1,559.02
Others	61.61	35.50
	<b>67,779.17</b>	<b>62,541.51</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**30. COST OF STOCK-IN-TRADE**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Inventory at the beginning of the year	59.65	125.66
Add: Purchases	5,717.44	10,943.27
	<b>5,777.09</b>	<b>11,068.93</b>
Less : Inventory at the end of the year	-	59.65
	<b>5,777.09</b>	<b>11,009.28</b>

**31. CHANGES IN INVENTORIES OF FINISHED GOOD AND WORK- IN- PROGRESS**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Work in progress		
Opening stock	24.69	24.70
Closing stock	22.13	24.69
	<b>2.56</b>	<b>0.01</b>
Finished goods		
Opening stock	1,610.42	955.99
Trial Run Production	192.66	-
Closing stock	2,166.92	1,610.42
	<b>(363.84)</b>	<b>(654.43)</b>
	<b>(361.28)</b>	<b>(654.42)</b>

**32. EMPLOYEE BENEFIT EXPENSES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Salaries & wages	8,073.36	7,659.75
Contribution to provident fund and other funds	279.01	261.46
Employees Welfare expenses	318.28	288.69
	<b>8,670.65</b>	<b>8,209.90</b>

**33. FINANCE COSTS**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Interest expense		
On loans measured at amortised cost [including interest on Lease ₹ 31.69 Lakhs (31st March, 2020 ₹ 27.38 Lakhs)]	1,169.52	1,836.63
Other Borrowing costs	86.35	119.31
	<b>1,255.87</b>	<b>1,955.94</b>

**34. DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Depreciation on Property, Plant and Equipment	4,562.12	4,179.68
Amortisation of right-of-use- assets	199.63	142.01
Amortisation of Intangible Assets	11.54	10.20
	<b>4,773.29</b>	<b>4,331.89</b>

**34.1** Depreciation is net off amortisation of Government Grant of ₹ 11.38 Lakhs as at 31st March, 2021 and ₹ 84.23 Lakhs at 31st March, 2020.

**34.2** Amortisation of right-of-use- assets of ₹ 11.54 Lakhs (31st March, 2020 - ₹ 6.25 Lakhs) capitalised as Pre-operative expenses.



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**35. OTHER EXPENSES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Consumption of stores & spares	695.01	725.98
Packing materials	5,073.37	5,015.48
Power & fuel	13,401.46	16,749.74
Repairs & maintenance		
- Building	195.31	160.98
- Plant & machinery	847.76	531.64
- Others	687.67	381.26
Heavy vehicle / equipment running expenses	270.73	250.14
Travelling and conveyance	419.84	773.57
Insurance	256.96	132.83
Rent, rates & taxes	390.38	542.13
Research & development expenses	31.35	36.96
Charity & donation	1,305.19	292.04
Miscellaneous expenses [includes payments made to Auditor refer Note 47(e)]	2,456.94	2,594.95
CSR expenses [Refer Note 47(d)]	611.02	406.08
Advertisement & publicity	1,710.33	2,653.78
Outward Freight Charges	30,614.14	34,107.80
Sales promotion expenses	439.81	819.16
Commission & incentives	1,028.62	1,464.95
	<b>60,435.89</b>	<b>67,639.47</b>

**36. TAX EXPENSES**

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>(a) Current tax</b>		
Current tax on profits for the year	2,946.37	4,309.68
<b>Total current tax expense</b>	<b>2,946.37</b>	<b>4,309.68</b>
<b>(b) Deferred tax</b>		
Deferred tax	(1,419.46)	(1,043.58)
<b>Total deferred income tax expense/(benefit)</b>	<b>(1,419.46)</b>	<b>(1,043.58)</b>
Tax in respect of earlier years	-	(36.79)
<b>Tax expenses</b>	<b>1,526.91</b>	<b>3,229.31</b>

**36.1** Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit before tax	17,254.12	25,100
<b>Tax at the Indian tax rate of 34.944% (31 March 2020 - 34.944%)</b>	<b>6,029.28</b>	<b>8,770.94</b>
Item not deductible/ taxable under tax	(420.22)	279.67
Effect of allowances/ tax holidays for tax purpose	(3,883.07)	(5,632.03)
Others	(199.08)	(152.48)
Tax in respect of earlier years	-	(36.79)
<b>Tax expenses</b>	<b>1,526.91</b>	<b>3,229.31</b>

**36.2** The Tax Rate used for the year 2020-21 and 2019-2020 reconciliation above is the Corporate tax rate of 34.944% ( 30%+ surcharge @12% + education cess @4% ) payable on taxable profits under the Income Tax Act, 1961.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**37. EARNINGS PER SHARE**
**(a) Basic earnings per share**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Basic earnings per share attributable to the equity holders of the Company (in ₹)	3.81	5.25

**(b) Diluted earnings per share**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	3.81	5.25

**(c) Reconciliations of earnings used in calculating earnings per share**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basic earnings per share	15,727.21	21,870.69
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	15,727.21	21,870.69

**(d) Weighted average number of equity shares used as the denominator**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	41,24,28,997	41,66,65,063
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	41,24,28,997	41,66,65,063

**38. EMPLOYEES BENEFIT OBLIGATIONS**
**(a) Leave encashment**

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Leave obligations not expected to be settled within the next 12 months	253.70	221.31

**(b) Post-employment obligations**
**i) Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance Company.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**38. EMPLOYEES BENEFIT OBLIGATIONS (Contd.)**

The amounts recognised in the Balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakhs)			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1st April, 2019</b>	396.86	(205.11)	191.76
Current service cost	66.59	-	66.59
Interest expense/(income)	26.56	(14.36)	12.20
<b>Total amount recognised in profit or loss</b>	<b>93.15</b>	<b>(14.36)</b>	<b>78.79</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.86)	(0.86)
Actuarial (gain)/loss from change in financial assumptions	34.68	-	34.68
Actuarial (gain)/loss from unexpected experience	(0.62)	-	(0.62)
<b>Total amount recognised in other comprehensive income</b>	<b>34.06</b>	<b>(0.86)</b>	<b>33.20</b>
Employer contributions/ premium paid	-	(0.91)	(0.91)
Benefit paid	(34.79)	34.79	-
<b>31st March, 2020</b>	<b>489.28</b>	<b>(186.45)</b>	<b>302.84</b>

(₹ in Lakhs)			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1st April, 2020</b>	489.28	(186.45)	302.84
Current service cost	71.75	-	71.75
Interest expense/(income)	34.24	(12.17)	22.07
<b>Total amount recognised in profit or loss</b>	<b>105.99</b>	<b>(12.17)</b>	<b>93.82</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.69	0.69
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	7.37	-	7.37
Actuarial (gain)/loss from unexpected experience	(15.55)	-	(15.55)
<b>Total amount recognised in other comprehensive income</b>	<b>(8.18)</b>	<b>0.69</b>	<b>(7.49)</b>
Employer contributions/ premium paid	-	-	-
Benefit paid	(25.24)	25.24	-
<b>31st March, 2021</b>	<b>561.86</b>	<b>(172.69)</b>	<b>389.17</b>

**Net asset / (liability) recognised in the balance sheet**

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Present value of Defined Benefit Obligation	561.86	489.28
Fair Value of Plan Assets	(172.69)	(186.45)
<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>389.17</b>	<b>302.84</b>
Current Asset/(liability)	62.19	61.34
Non-Current Asset/(liability)	326.98	241.50

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**38. EMPLOYEES BENEFIT OBLIGATIONS (Contd.)**
**(ii) Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows:

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.90%	7.00%
Expected return on plan asset	6.90%	7.00%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2012-14) Table	IALM (2006-08) Table

**(iii) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31st March, 2021		31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(515.94)	375.71	(448.97)	339.95
Salary growth rate (-/+ 1%)	611.55	(322.41)	533.08	(291.88)
Withdrawal rate (-/+ 1%)	564.80	(343.36)	492.31	(310.23)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(iv) The major categories of plan assets**

The defined benefit plans are funded with Insurance Company of India. The Company does not have any liberty to manage the funds provided to insurance company. Thus the composition of each major category of plan assets has not been disclosed.

Particulars	Gratuity (Funded)	
	31st March, 2021	31st March, 2020
Funds managed by Insurer	100%	100%

**(v) Risk exposure**

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:**

A decrease in the interest rate on plan assets will increase the plan liability.

**Life expectancy:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the life expectancy of the plan participants will increase the plan liability.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 38. EMPLOYEES BENEFIT OBLIGATIONS (Contd.)

#### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2022 are ₹ 102.45 Lakhs.

The weighted average duration of the defined benefit obligation is 6.00-6.88 years (31st March, 2020: 5.34-5.80 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in Lakhs)		
	Less than a year	Between 2- 5 years	Between 5- 10 years
31st March 2021	62.19	94.63	318.12
31st March 2020	61.34	118.94	202.27

#### c) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 279.01 Lakhs (31st March, 2020: ₹ 261.46 Lakhs).

### 39. CAPITAL MANAGEMENT

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares .

The amount mentioned under total equity in balance sheet is considered as Capital.

The Company does not have any externally imposed capital requirements.

#### (b) Dividends paid

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<b>(i) Equity shares</b>		
Interim dividend for the year end 31st March, 2021 ₹ Nil (31st March, 2020 - ₹ 1 per share)	-	4,124.29



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**40. ASSETS PLEDGED AS SECURITY**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
<b>Current</b>		
<i>First charge</i>		
Trade receivables	12,213.78	10,693.35
Inventories	7,556.60	8,425.82
Cash and cash equivalents	21,406.52	23,616.43
Bank balances	16,577.77	2,597.35
Other financial assets	1,699.28	1,542.58
Other current assets	20,921.57	19,144.71
<b>Total current assets</b>	<b>80,375.52</b>	<b>66,020.24</b>
<b>Non Current</b>		
<i>First charge</i>		
Property, Plant and Equipment( including Capital work-in-progress)	26,525.25	28,081.06
<b>Total non-currents assets</b>	<b>26,525.25</b>	<b>28,081.06</b>
<b>Total assets pledged as security</b>	<b>1,06,900.77</b>	<b>94,101.30</b>

**41. FINANCIAL RISK MANAGEMENT**

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk). This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
<i>Credit risk</i>	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis	Diversification of customer base
<i>Liquidity risk</i>	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
<i>Market risk – foreign exchange</i>	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (₹).	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
<i>Market risk – interest rate</i>	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions
<i>Market risk – price risk</i>	Investments in equity securities	Sensitivity analysis	Continuous monitoring the performance of investments

**(A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 41. FINANCIAL RISK MANAGEMENT (Contd.)

#### i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Company receives security deposit from its customers which mitigates the credit risk. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

Particulars	(₹ in Lakhs)					
	Not past due	Less than 6 Months	More than 6 Months and upto 1 years	More than 1 years	Allowances for doubtful trade receivables	Net carrying amount of trade receivables
As on 31st March, 2021	11,119.29	1,103.16	340.03	600.33	(54.11)	13,108.70
As on 31st March, 2020	5,984.88	3,058.38	266.36	1,448.63	(64.90)	10,693.35

#### ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Loans are given to body corporate as per the Company policy and the receipt of repayment are reviewed on regular basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31st March 2021 and 31st March 2020 is the carrying amounts as illustrated in Note 43.

#### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

#### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Expiring within one year (bank overdraft and other facilities)	9,314.18	9,886.51
	<b>9,314.18</b>	<b>9,886.51</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**41. FINANCIAL RISK MANAGEMENT (Contd.)**
**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

<b>Contractual maturities of financial liabilities - 31 March, 2021*</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowing	686.88	-	11,533.46	-	12,220.34
Interest on borrowing	695.27	645.87	1,937.62	-	3,278.76
Trade payables	19,513.46	-	-	-	19,513.46
Lease Liabilities	177.81	75.83	54.53	-	308.17
Other payables	11,062.48	-	-	-	11,062.48
<b>Total financial liabilities</b>	<b>32,135.90</b>	<b>721.70</b>	<b>13,525.61</b>	<b>-</b>	<b>46,383.21</b>

<b>Contractual maturities of financial liabilities - 31 March, 2020*</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowing	541.32	1.06	14,284.46	-	14,826.84
Interest on borrowing	1,273.98	1,231.33	3,693.96	-	6,199.27
Trade payables	9,511.59	-	-	-	9,511.59
Lease Liabilities	149.51	98.11	87.58	-	335.20
Other payables	10,078.92	-	-	-	10,078.92
<b>Total financial liabilities</b>	<b>21,555.32</b>	<b>1,330.50</b>	<b>18,066.00</b>	<b>-</b>	<b>40,951.82</b>

\*Security deposit received from customer has not been included in the above maturity profile as the repayment of the same cannot be reasonably estimated.

**(C) Market risk**
**(i) Foreign currency risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company deals with an international customer and is therefore exposed to foreign exchange risk (primarily with respect to USD) arising from this foreign currency transactions. In view of low proportion of export/import, as compared to the overall operations, the exposure of the Company to foreign exchange risk is also not considered to be material.

Further foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2021 and 31st March, 2020, the Company's borrowings at variable rate were denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 41. FINANCIAL RISK MANAGEMENT (Contd.)

#### (a) Interest rate risk exposure

##### On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Variable rate borrowings	12,219.27	14,797.95
Fixed rate borrowings	1.06	28.89
<b>Total borrowings</b>	<b>12,220.33</b>	<b>14,826.84</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	31st March, 2021	31st March, 2020
Interest expense rates – increase by 50 basis points (2020: 50 bps)*	(61.10)	(73.99)
Interest expense rates – decrease by 50 basis points (2020: 50 bps)*	61.10	73.99

\* Holding all other variables constant

#### (iii) Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the Balance Sheet as at fair value through profit and loss. The Company has investment in quoted and unquoted equity securities. Investment is done in accordance with the limits set by the Company. The Company's Board of Directors reviews and approves all investment decisions.

#### Sensitivity

The table below summarises the impact of increases/decreases of the share prices on the Company's equity.

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	31st March, 2021	31st March, 2020
Increase by 5% (2020: 5%)*	7.12	6.79
Decrease by 5% (2020: 5%)*	(7.12)	(6.79)

\* Holding all other variables constant

### 42. LEASE

#### Movement of lease liabilities

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<b>Opening balance</b>	295.76	-
Additions (Transitional impact on adoption of Ind AS 116)	-	432.88
Additions	201.48	-
Deletions	(14.18)	-
Add: Interest recognised during the year	31.69	27.38
Less: Payments made	(235.26)	(164.50)
<b>Closing balance</b>	<b>279.49</b>	<b>295.76</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has recognised interest on lease liability of ₹ 29.32 Lakhs under Finance Costs (Previous year ₹ 25.87 Lakhs). Further ₹ 2.37 Lakhs (Previous year ₹ 1.51 Lakhs) capitalised as Pre-operative expenses.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**43. FINANCIAL INSTRUMENTS BY CATEGORY**

(₹ in Lakhs)

Particulars	31st March, 2021			31st March, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investment in equity instruments	142.34	-	-	135.81	-	-
Loans	-	-	2,090.93	-	-	1,936.98
Trade receivables	-	-	13,108.71	-	-	10,693.35
Cash and cash equivalent	-	-	21,428.38	-	-	23,623.76
Balance with banks	-	-	16,577.77	-	-	2,597.35
Recoverable from related parties	-	-	39.63	-	-	40.05
	<b>142.34</b>	<b>-</b>	<b>53,245.42</b>	<b>135.81</b>	<b>-</b>	<b>38,891.49</b>
<b>Financial liabilities</b>						
Borrowing	-	-	12,220.34	-	-	14,826.84
Security deposit	-	-	12,882.48	-	-	10,747.62
Lease Liabilities	-	-	279.49	-	-	295.76
Trade payable	-	-	19,513.46	-	-	9,511.59
Creditors for capital goods	-	-	602.63	-	-	992.27
Salary and bonus to employees	-	-	462.33	-	-	231.37
Retention money	-	-	427.16	-	-	216.37
Creditors for services and expenses	-	-	2,936.34	-	-	3,146.50
Discounts and incentives to dealers	-	-	4,224.09	-	-	3,279.95
Creditors for employees expenses	-	-	32.64	-	-	32.57
Other liabilities including Unclaimed dividend and Interest accrued but not due on borrowings	-	-	2,377.30	-	-	2,180.08
	<b>-</b>	<b>-</b>	<b>55,958.26</b>	<b>-</b>	<b>-</b>	<b>45,460.92</b>

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of all assets and liabilities
- the fair value of the financial instruments is determined using discounted cash flow analysis.

**(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements**

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**43. FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)**

(₹ in Lakhs)

Particulars	31st March, 2021			31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	0.38	-	141.95	0.11	-	135.70
<b>Total financial assets</b>	<b>0.38</b>	<b>-</b>	<b>141.95</b>	<b>0.11</b>	<b>-</b>	<b>135.70</b>

**(iv) Fair value of financial assets and liabilities measured at amortised cost**

(₹ in Lakhs)

Particulars	31st March, 2021		31st March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security Deposits	485.61	485.61	585.02	585.02
<b>Total financial assets</b>	<b>485.61</b>	<b>485.61</b>	<b>585.02</b>	<b>585.02</b>
<b>Financial liabilities</b>				
Borrowings	1.06	1.07	28.89	29.13
Security deposits	12,882.48	12,882.48	10,747.62	10,747.62
Lease Liabilities	279.49	279.49	295.76	295.76
<b>Total financial liabilities</b>	<b>13,163.03</b>	<b>13,163.04</b>	<b>11,072.27</b>	<b>11,072.51</b>

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

**(v) Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

**44. CONTINGENT LIABILITY & COMMITMENTS**
**a) Contingent Liability**

(₹ in Lakhs)

Sl. No	Particulars	31st March, 2021	31st March, 2020
1	Claims against the company not acknowledge as debts – Excise/ VAT/ royalty/IncomeTax etc.	5,518.46	6,343.96
2	Duty saved under EPCG scheme	46.65	46.65



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**44. CONTINGENT LIABILITY & COMMITMENTS (Contd.)**
**b) Commitments**

		(₹ in Lakhs)	
Sl. No	Particulars	31st March, 2021	31st March, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	223.24	363.00
2	Letters of credit issued by bank	335.99	149.83

**Note:** Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

- (a) On the basis of the direction of the High Court of Meghalaya dated 30-08-2018 following the decision of the Supreme Court dated 10-11-2017 passed in SRD Nutrients Private Limited Vs. Commissioner of Central Excise, Guwahati, Company has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 566.05 Lakhs in previous years. However, the Apex court vide its order dated 06-12-2019 have taken a contrary view in the matter of M/S Unicorn Industries Vs Union of India and Others. Based on the later judgement a demand letter was raised by the department to refund back the amount granted. As the order dated 30-08-2018, has attained its finality and the refund was granted accordingly, the Company has preferred a writ petition before the Meghalaya High Court against the above demand letter. Meghalaya High Court has stayed the said demand vide its order dated 16-06-2020. Based on the legal advice obtained by the Company from External Counsel as well as its own assessment there is every likelihood that the said demand will be quashed and therefore no provision have been taken in the books of account.
- (b) In respect of demand notice dated 19th February, 2020 received by the Company from Director of Mineral Resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹ 4,184.06 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17-01-2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the Recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya. The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Company has neither been issued a show-cause nor any opportunity of being heard was given to the Company before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Company before passing the impugned order dated 17-01-2020 which is clear violation of principles of natural justice. The Company backed by the legal opinions, believes that it has a good case in the matter as the said order was issued based on certain hypothetical assumptions and views and not on hard facts. No opportunity of being heard was provided to the Company either by NGT committee or by NGT itself which passed order without going into the merits & facts and accepted the recommendations of 5th Interim Report. Therefore, there is every likelihood of the Demand Notice and the order of the NGT being set aside. The Company has preferred an appeal before the Supreme Court of India against the NGT Order, and accordingly, no provisions has been made in the accounts.

**45. EXCEPTIONAL ITEMS**

- (a) Supreme Court vide its' order dated 17-11-2020 has rejected the Review petitions filed by some of the Petitioners against its' Judgment dated 22-04-2020 in the matter of Union of India vs M/s V.V.F Limited & Others. As the said order reached its' finality, the Company has Refunded 50% of differential Excise duty amounting to ₹ 1,466.23 Lakhs which was received by the company in previous years, and for which the demand letter was issued by the Department. The Company has also provided for the balance 50% of such refund amounting to ₹ 1,465.13 Lakhs which was shown as receivable and recognised in income in previous years. Refund/Reversal on account of both amounting to ₹ 2,931.36 Lakhs is shown as Exceptional Item in the Statement of Profit and Loss Account for the current financial year.

**46. RELATED PARTY DISCLOSURES**

A	Names of the related parties	Nature of relationship
	Megha Technical & Engineers Private Limited (MTEPL)	Subsidiary Company
	Star Cement Meghalaya Limited (SCML)	Subsidiary Company
	Meghalaya Power Limited (MPL)	Subsidiary Company
	NE Hills Hydro Limited (NEHL)	Subsidiary Company
	Star Century Global Cement Private Limited (SCGCPL)	Subsidiary Company

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**46. RELATED PARTY DISCLOSURES (Contd.)**

<b>Others related parties</b>	
<b>I. Enterprises influenced by KMP</b>	
Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP
Profound Cement Work LTD (PCWL) (Formerly known as Star India Cement Limited)	Enterprises influenced by KMP
Nefa Udyog (NU)	Enterprises influenced by KMP
<b>II. Key Management Personnel</b>	
Mr. Sajjan Bhajanka	Chairman & Managing Director
Mr. Rajendra Chamaria	Vice Chairman & Managing Director
Mr. Sanjay Agarwal	Managing Director
Mr. Prem Kumar Bhajanka	Director
Mr. Sanjay kumar Gupta	Chief Executive Officer
Mr. Manoj Agarwal	Chief Financial Officer
Mr. Debabrata Thakurta	Company Secretary
<b>III. Relatives of Key Management Personnel</b>	
Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria. Vice Chairman & Managing Director
Mrs.Yash Bala Bhajanka	Wife of Mr. Prem Kumar Bhajanka, Director

Details of transactions between the Company and related parties and the status of outstanding balance :

(₹ in Lakhs)

B	Types of Transactions	Subsidiaries		Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	<b>1. Purchase Transactions</b>						
	MPL	5,613.87	5,741.82	-	-	-	-
	MTEPL	4.92	20.21	-	-	-	-
	SCML	66,223.23	61,601.18	-	-	-	-
	<b>2. Sale Transactions</b>						
	MTEPL	2.25	-	-	-	-	-
	SCML	2,737.77	4,490.25	-	-	-	-
	MPL	1,223.06	2.65	-	-	-	-
	CPIL	-	-	14.61	15.93	-	-
	<b>3. Services Rendered</b>						
	MTEPL	0.01	0.18	-	-	-	-
	<b>4. Service Received</b>						
	SCML	5.20	17.70	-	-	-	-
	MPL	15.68	12.12	-	-	-	-
	CPIL	-	-	136.87	116.24	-	-
	NU	-	-	5.10	5.30	-	-
	Mrs.Yash Bala Bhajanka	-	-	-	-	13.49	11.38

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**46. RELATED PARTY DISCLOSURES (Contd.)**

(₹ in Lakhs)

B	Types of Transactions	Subsidiaries		Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	<b>5. Purchase of Capital Goods</b>						
	MTEPL	-	8.65	-	-	-	-
	SCML	8.74	2.89	-	-	-	-
	MPL	-	13.23	-	-	-	-
	CPIL	-	-	-	2,348.02	-	-
	SCFL	-	-	-	55.89	-	-
	<b>6. SALE OF CAPITAL GOODS</b>						
	SCML	29.16	-	-	-	-	-
	<b>7. PURCHASE OF INVESTMENT</b>						
	SCFL	-	-	4,012.32	-	-	-
	<b>8. LOAN &amp; ADVANCES REPAID</b>						
	MTEPL	2,751.00	551.54	-	-	-	-
	<b>9. LOAN GIVEN</b>						
	MPL	-	2,325.00	-	-	-	-
	<b>10 LOAN REPAID BACK</b>						
	MPL	-	2,325.00	-	-	-	-
	<b>11. INTEREST PAID</b>						
	MTEPL	676.19	1,264.15	-	-	-	-
	<b>12. INTEREST RECEIVED</b>						
	MPL	-	159.19	-	-	-	-
	<b>13. REMUNERATION PAID</b>						
	MR. SAJJAN BHAJANKA	-	-	-	-	198.00	198.00
	MR. RAJENDRA CHAMARIA	-	-	-	-	304.20	304.20
	MR. SANJAY AGARWAL	-	-	-	-	198.00	198.00
	MR. SANJAY KUMAR GUPTA	-	-	-	-	200.64	189.77
	MR. RAHUL CHAMARIA	-	-	-	-	60.00	60.00
	MR. SACHIN CHAMARIA	-	-	-	-	60.00	60.00
	MR. MANOJ AGARWAL	-	-	-	-	71.83	71.31
	MR. DEBABRATA THAKURTA	-	-	-	-	25.61	26.45
	<b>14. BALANCE OUTSTANDING</b>						
	(A) CREDITORS						
	MPL	1,144.52	349.41	-	-	-	-
	SCML	10,977.15	2,055.46	-	-	-	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**46. RELATED PARTY DISCLOSURES (Contd.)**

(₹ in Lakhs)

B	Types of Transactions	Subsidiaries		Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	CPIL	-	-	-	25.35	-	-
	MRS.YASH BALA BHAJANKA	-	-	-	-	-	0.97
	NU	-	-	0.46	2.64	-	-
	<i>(B) ADVANCE :( GIVEN)</i>						
	PCWL	-	-	35.61	35.61	-	-
	NE HILLS HYDRO	0.51	0.51	-	-	-	-
	SCGCPL	3.50	3.50	-	-	-	-
	<i>(C) DEBTORS</i>						
	CPIL	-	-	3.29	3.79	-	-
	<i>(D) LOANS :(TAKEN)</i>						
	MTEPL	11,533.46	14,284.46	-	-	-	-
	<i>(E) GUARANTEES OBTAINED</i>						
	MR. SAJJAN BHAJANKA	-	-	-	-	9,400.00	12,800.00
	MR. RAJENDRA CHAMARIA	-	-	-	-	9,400.00	12,800.00
	MR. SANJAY AGARWAL	-	-	-	-	9,400.00	12,800.00
	MR. PREM KUMAR BHAJANKA	-	-	-	-	9,400.00	12,800.00
	<i>(F) INVESTMENTS</i>						
	MTEPL	2,734.64	2,734.64	-	-	-	-
	SCML	17,414.67	17,414.67	-	-	-	-
	MPL	7,597.43	3,568.31	-	-	-	-
	NE HILLS HYDRO	7.00	7.00	-	-	-	-
	SCGCPL	20.03	20.03	-	-	-	-

**Key management personnel compensation**

(₹ in Lakhs)

(c)	Particulars	31st March, 2021	31st March, 2020
	Short-term employee benefits	998.28	987.73
	Post-employment benefits	-	-
	Long-term employee benefits	-	-
	<b>Total compensation</b>	<b>998.28</b>	<b>987.73</b>

**Notes**

- The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. During the previous year, the Company has taken inter corporate loan from its subsidiary which is repayable on demand, for current year the rate of interest is 5.6% (31st March, 2020: 8.62%)
- Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**47. OTHER NOTES**

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

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	456.48	399.13
(ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	<b>456.48</b>	<b>399.13</b>
(i) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	2.79	3.10
(ii) Amount paid to the suppliers beyond the respective appointed date.	156.00	211.50
(iii) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(iv) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

- (b) The Company has exercised the option in accordance to paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31st March, 2021 is ₹ 37.04 Lakhs (31 March 2020: ₹ 39.43 Lakhs).
- (c) Segment information
- (i) Cement is the only identified operating segment of the Company. There is no separate reportable segment as required by Ind AS 108 'Operating Segments'. There are no revenues from transactions with a single customers amounting to 10 per cent or more of the Company's revenues during the current and previous year.
- (ii) Geographical information  
 The entire revenue of the Company has been generated by way of domestic & export sales.

(₹ in Lakhs)			
SI No.	Geographical Location	31st March, 2021	31st March, 2020
(i)	India	1,66,150.05	1,77,322.06
(ii)	Nepal	249.92	-
(iii)	Bhutan	-	4.62
	<b>Total</b>	<b>1,66,399.97</b>	<b>1,77,326.68</b>

- (d) As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

Gross amount required to be spent by the company during the year is ₹ 505.84 Lakhs, (2020-21: ₹ 396.05 Lakhs)

Amount spent during the year on:

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Education	177.70	145.79
Preventive healthcare and Sanitation	208.19	76.95
Livelihood & Skill Building	79.12	63.32
Protection of sites of Historical importance	100.00	-
Flood /DisasterRelief	5.09	56.33
Sports Upliftment	-	10.76
Rural Development Programs	40.92	52.93
	<b>611.02</b>	<b>406.08</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 47. OTHER NOTES (Contd.)

(e) Payment to Auditor

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<i>As Auditor</i>		
-Statutory Audit Fees	12.50	11.00
Limited Audit Review Fees	6.00	6.00
<i>In Other Capacity</i>		
Certification Fees and other services	0.24	0.24
	<b>18.74</b>	<b>17.24</b>

48. The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial Statements. The Company believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at 31st March, 2021. Looking to the present situation of pandemic, the extent to which the same will impact Company's future financial results is currently uncertain and will depend on further developments.

49. Previous year's figures have been regrouped and/or rearranged wherever necessary, to conform to current year classification.

50. The financial statements are approved by the audit committee at its meeting held on 9th June, 2021 and by the Board of Directors on the same date.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761

Place : Kolkata  
Date: 9th June, 2021

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

**For and on behalf of the Board of Directors**

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

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171



# **CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Star Cement Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Consolidated Financial Statements of **Star Cement Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, of the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and the consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered

Accountants of India and the relevant provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

- We draw your attention to Note 45 to the Consolidated Financial Statements which states that the Group has charged off the differential Excise duty of ₹ 6,457.42 Lakhs as an Exceptional item. The same was booked as income in earlier years based on an order passed by High Court of Guwahati as per the judgement of Supreme Court. Subsequently, the Apex Court reversed its Order and certain parties had filed review petitions, pending which the Group had treated it as a Contingent liability. On rejection of such review petitions, the Group has charged off the same.

Our opinion is not modified in respect of this matter.

- We draw your attention to Note no. 53 to the Consolidated Financial Statements which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances / developments as they evolve in the subsequent periods.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

S. No.	Key Audit Matters	Auditor's Response
1	<p><b>Revenue Recognition</b>                      (Refer Note no. 28 to the Consolidated Financial Statements and Note 2.20 (A) of the significant accounting policies of the Consolidated Financial Statements).</p> <p>Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Group's performance obligation under a contract with customer.</p> <p>The Group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognised before completion of the performance obligation.</p> <p>Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.</p> <p>Due to the Group's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental. There is a risk of revenue being affected as a result of variations in assessment of discounts, incentives and rebates recognised on sales.</p> <p>There is a significant risk of misstatement due to risk related to inappropriate recognition of the revenue as a result of faulty estimations over discounts, incentives, and rebates and hence this was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p><b>Our audit procedures to assess the appropriateness of revenue recognised included:</b></p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Group's key internal controls over the revenue recognition process.</li> <li>- Assessing the appropriateness of the Group's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards</li> <li>- Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately.</li> <li>- Examination of significant contracts entered into close to year end to ensure revenue recognition is made in the correct period.</li> <li>- Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes.</li> <li>- Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions.</li> <li>- Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items.</li> </ul> <p>Our testing as described above showed that revenue, discount, incentive and rebates have been recorded in accordance with the terms of applicable contracts and accounting policy in this area.</p>
2	<p><b>Related Party Transactions</b>                      (Refer Note no. 49 to the Consolidated Financial Statements)</p> <p>The Holding Company operates within a conglomerate of group entities. The subsidiaries operate in the line of business as the Holding Company. These group companies operate in the same sector and have significant transactions amongst themselves during the year.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Consolidated Financial Statements as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of transactions with related parties during the year ended 31st March, 2021, necessitated to be at arm's length, significant cash flow between parties, intercompany contracts, and common management amongst other things.</li> <li>• the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.</li> </ul>	<p><b>Our audit procedures in relation to the evaluation and disclosure of related party transactions included:</b></p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of the Group's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Consolidated Financial Statements.</li> <li>- Obtaining an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. We have also reviewed the Transfer Pricing Report of the Company in this regard.</li> <li>- Review of confirmation and reconciliation process and analytical review of various account balances and transaction balances amongst other things.</li> <li>- Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015.</li> <li>- Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul> <p>Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.</p>

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

S. No.	Key Audit Matters	Auditor's Response
3	<p><b>Income Tax Provisions:</b> (Refer Note no. 8 to the Consolidated Financial Statements)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write-back of provisions, due to the following factors:</p> <ul style="list-style-type: none"> <li>• The Group operates in a complex tax jurisdiction and is subject to periodic challenges by tax authorities on various matters relating to claims for tax exemptions / deductions.</li> <li>• Significant judgement involved in determining the possible outcome of uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements.</li> <li>• Provision for income tax and deferred tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.</li> </ul>	<p><b>Our audit procedures to assess the appropriateness of income tax provisions made included:</b></p> <ul style="list-style-type: none"> <li>- Analysing the current and deferred tax calculations for compliance with the relevant tax legislation</li> <li>- Evaluating management's assessment of the estimated manner in which the timing differences, including the recoverability of the deferred tax assets, would be realised by comparing this to evidence obtained in respect of other areas of the audit, including cash flow forecasts, business plans, minutes of directors' meetings, etc</li> <li>- Testing uncertain tax positions including understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies.</li> <li>- Discussing with appropriate senior management personnel, independently assessing management's estimate of the possible outcome of the disputed cases; and evaluating the management's underlying key assumptions in estimating the tax provisions.</li> <li>- Obtained details of completed tax assessments and demands as of 31st March, 2021 from the management.</li> <li>- Assessing the adequacy of the Group's disclosures for income taxes in the consolidated financial statements.</li> </ul> <p>Our examination has showed that the provisions and disclosures are adequate.</p>
4	<p><b>Allowance for Receivables</b> (Refer Note no. 11 and 16 to the Consolidated Financial Statements)</p> <p>The Group has trade receivables, subsidies receivable from Government agencies and advances to vendors. The Group determines the allowance for doubtful debts based on historical loss experience adjusted to reflect current and estimated future economic conditions, relating to industries the Group deals with and has receivables from.</p> <p>We identified allowance for doubtful debts as a key audit matter because of the significance of Trade Receivables balance to the consolidated financial statements and considering that the Management exercises significant judgment in estimating the allowance for doubtful debts.</p>	<p><b>Our audit procedures to assess the appropriateness of allowance for trade receivables included:</b></p> <ul style="list-style-type: none"> <li>- Testing the accuracy of aging of trade receivables at year end on a sample basis;</li> <li>- Obtaining a list of outstanding receivables along confirmation of balances on a sample basis as per the auditing standards and identifying any debtors with financial difficulty through discussion with management.</li> <li>- Obtaining understanding of the process and controls over the determination of adequacy of allowance for doubtful debts.</li> <li>- Testing the design, implementation and operating effectiveness of relevant internal controls relating to collection of trade receivables and the calculation of the allowance for trade receivables.</li> <li>- Testing the mathematical accuracy and computation of the allowances by the Group.</li> <li>- In respect of subsidies receivables, we have evaluated that the period of realisation considered by the companies is in line with the past trends.</li> <li>- Evaluating the appropriateness of the presentation and disclosures made in the financial statements.</li> </ul> <p>Our examination has showed that the allowances are appropriate and adequate.</p>

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

S. No.	Key Audit Matters	Auditor's Response
5	<p><b>Litigation, Claims and Contingent Liabilities</b>                      (Refer Note no. 44 to the Consolidated Financial Statements)</p> <p>The Group operates in various states within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims.</p> <p>Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims.</p> <p>The Group applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter. These estimates could change significantly over time as new facts emerge and each legal case progresses.</p> <p>The Group is involved in legal proceedings on disputed tax demands. The Group's management has assessed that the probability of success of the demand is remote and accordingly has not provided for the disputed demands.</p> <p>This has been considered a key audit matter in view of the uncertain outcome of the litigations and involvement of significant management judgement in assessing the probability of outflow of economic resources.</p>	<p><b>Our audit procedures to assess the appropriateness of provisions and adequacy of disclosures included:</b></p> <ul style="list-style-type: none"> <li>- Reviewing the outstanding litigations against the Group for consistency with the previous years. Enquiring and obtaining explanations for movement during the year.</li> <li>- Reading the latest correspondence between the Group and the various tax/legal authorities</li> <li>- Discussing the status of significant litigation with the Group's in-house Legal Counsel and other senior management personnel and assessing their responses.</li> <li>- On sample basis, examine the Group's legal expenses and read the minutes of the board meetings of the respective Group companies in order to ensure all cases have been identified.</li> <li>- With respect to tax matters, discussing with the tax officers of the Group Companies, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.</li> <li>- For those matters where management concluded that no provision should be recorded, considering the adequacy and completeness of the Group's disclosures with regard to facts and circumstances of the legal and litigation matters</li> </ul> <p>On the basis of the above procedures performed, we considered the management's assessment in respect of contingencies and provision for taxes and other litigations and claims to be reasonable and disclosures to be appropriate.</p>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

**Responsibility for Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of

## INDEPENDENT AUDITOR'S REPORT (Contd.)

preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITOR'S REPORT (Contd.)****Other Matters**

- Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including travel restrictions, maintenance of social distancing etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management's estimates, assumptions, certificates and other information supplied electronically by the management of the Holding Company on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Consolidated Financial Statements.

Our opinion is not modified in respect of this matter.

- We did not audit the financial statements of two subsidiaries (NE Hills Hydro Limited and Star Century Global Cement Private Limited) whose financial statements reflect total assets of ₹ 53.08 Lakhs as at 31st March, 2021, total revenue of ₹ Nil and net cash outflows amounting to ₹ 0.19 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 0.84 Lakhs and total comprehensive income of ₹ 0.78 Lakhs for the year ended 31st March, 2021, as considered in the Consolidated Financial Statements in respect of these subsidiaries.

The above financial information is before giving effect to any consolidation adjustments. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Of the above, the financial statements of one subsidiary located outside India (Star Century Global Cement Private Limited), included in the Consolidated Financial Statements, which constitute total assets of ₹ 22.13

Lakhs as at 31st March, 2021, total revenue of ₹ Nil, total net loss of ₹ 0.65 Lakhs and total comprehensive income of ₹ (0.65) Lakhs for the year ended 31st March, 2021, have been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of this subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to in the Other Matters section above, we report, to the extent applicable that:
  - (a) Without prejudice to the issues described under "Other matter" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group Companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group- Refer Note no 44 to the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India during the year ended 31st March, 2021.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761  
UDIN: 21057761AAAAA09730

Place : Kolkata  
Date: 09 June, 2021

## Annexure A to the Independent Auditor's Report

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 1(f) of our Independent Auditors' report of even date)

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting with reference to the consolidated financial statements of Star Cement Limited ("the Holding Company") and its subsidiary Companies, which are Companies incorporated in India, as at 31st March, 2021 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

### Management's Responsibility for Internal Financial Controls with reference to financial statements

The respective Board of Directors of the Holding Company and its subsidiaries, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Holding Company and its subsidiaries, which are incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with the authorisation of the management and the directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and based on the consideration of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiaries, which are Companies incorporated in India have, in all material respects, read with impact of COVID- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary incorporated in India, is based solely on the corresponding reports of the auditor of such subsidiary company incorporated in India.

Our opinion is not modified in respect of the above matter.

**For D. K Chhajer & Co.**  
*Chartered Accountants*  
Firm Registration No.: 304138E

**Manoj K Roongta**  
*Partner*  
Membership No. 057761  
UDIN: 21057761AAAAA09730

Place : Kolkata  
Date: 09 June, 2021

# CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	81,991.46	69,298.49
(b) Capital work-in-progress	3.1	12,661.04	23,754.83
(c) Right-of-use assets	3.2	268.58	290.02
(d) Intangible assets	3.3	36.55	24.09
(e) Financial assets			
(i) Other Investments	4	166.22	158.07
(ii) Loans	5	436.42	439.36
(iii) Other financial assets	6	27.89	26.40
(f) Deferred tax assets (net)	7	31,122.85	28,933.71
(g) Non-current tax assets (net)	8	631.63	643.57
(h) Other non-current assets	9	6,279.09	6,301.28
<b>Total non-current assets</b>		<b>1,33,621.73</b>	<b>1,29,869.82</b>
<b>Current assets</b>			
(a) Inventories	10	23,468.04	25,690.86
(b) Financial assets			
(i) Trade receivables	11	13,173.41	12,222.25
(ii) Cash and cash equivalents	12	25,700.21	24,105.63
(iii) Bank balances (other than (ii) above)	13	23,335.18	4,277.17
(iv) Loans	14	4,308.75	4,493.62
(v) Other financial assets	15	35.61	36.04
(c) Other current assets	16	32,573.09	35,120.08
<b>Total current assets</b>		<b>1,22,594.29</b>	<b>1,05,945.65</b>
<b>Total assets</b>		<b>2,56,216.02</b>	<b>2,35,815.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	4,124.29	4,124.29
(b) Other equity	18	2,03,291.84	1,81,588.38
<b>Equity attributable to owners of Star Cement Limited</b>		<b>2,07,416.13</b>	<b>1,85,712.67</b>
Non controlling interest		-	7,005.14
<b>Total equity</b>		<b>2,07,416.13</b>	<b>1,92,717.81</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	18.74	74.18
(ii) Other financial liabilities (Incl. Lease Liabilities)	20	13,072.39	10,961.07
(b) Provisions	21	523.15	434.70
(c) Other non current liabilities	22	1,056.10	1,259.25
<b>Total non-current liabilities</b>		<b>14,670.38</b>	<b>12,729.20</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	1,457.02	1,037.43
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		594.12	401.85
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,254.05	9,176.54
(iii) Other financial liabilities (Incl. Lease Liabilities)	24	14,621.72	13,468.03
(b) Provisions	25	471.84	442.34
(c) Other current liabilities	26	7,480.14	5,842.27
(d) Current tax liabilities (net)	27	250.62	-
<b>Total current liabilities</b>		<b>34,129.51</b>	<b>30,368.46</b>
<b>Total liabilities</b>		<b>48,799.89</b>	<b>43,097.66</b>
<b>Total equity and liabilities</b>		<b>2,56,216.02</b>	<b>2,35,815.47</b>
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Sanjay Kumar Gupta**  
Chief Executive Officer

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

**Manoj K Roongta**  
Partner  
Membership No. 057761

**Manoj Agarwal**  
Chief Financial Officer

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171

Place : Kolkata  
Date: 9th June, 2021

**Debabrata Thakurta**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
<b>INCOME</b>			
Revenue from operations	28	1,71,993.22	1,84,314.74
Other income	29	2,822.06	2,943.59
<b>Total income</b>		<b>1,74,815.28</b>	<b>1,87,258.33</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	37,459.55	33,896.93
Cost of stock-in-Trade	31	4,157.07	7,081.99
Changes in inventories of finished good and work-in-progress	32	(1,292.82)	(789.62)
Employee benefit expenses	33	13,133.09	12,656.01
Finance costs	34	698.86	933.73
Depreciation and amortisation expenses	35	8,999.41	9,295.18
Other expenses	36	85,276.31	92,032.40
<b>Total expenses</b>		<b>1,48,431.47</b>	<b>1,55,106.62</b>
<b>Profit before exceptional items and tax</b>		<b>26,383.81</b>	<b>32,151.71</b>
Exceptional Items (Refer Note 45)		6,457.42	-
<b>Profit before tax</b>		<b>19,926.39</b>	<b>32,151.71</b>
<b>Tax expenses</b>			
-Current tax	37	(3,407.63)	(5,339.75)
-Income tax for earlier years		(9.56)	3.25
-Deferred tax		2,203.79	1,915.13
<b>Total tax expense</b>		<b>(1,213.40)</b>	<b>(3,421.37)</b>
<b>Profit for the year</b>		<b>18,712.99</b>	<b>28,730.34</b>
Share of non controlling interest		-	175.36
<b>Profit for the year (after non controlling interest)</b>		<b>18,712.99</b>	<b>28,554.98</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Remeasurement of post-employment benefit obligations		17.93	(55.43)
Changes in fair value of FVOCI equity instruments		1.62	(0.12)
Income tax related to above		(5.10)	18.58
<b>Other comprehensive income for the year, (net of tax)</b>		<b>14.45</b>	<b>(36.97)</b>
Share of non controlling interest		-	(0.57)
<b>Other comprehensive income for the year, net of tax (after non controlling interest)</b>		<b>14.45</b>	<b>(36.40)</b>
Share of non controlling interest		-	174.79
<b>Total comprehensive income for the year</b>		<b>18,727.44</b>	<b>28,693.37</b>
<b>Total comprehensive income for the year, (after non controlling interest)</b>		<b>18,727.44</b>	<b>28,518.58</b>
<b>Earnings Per equity share (face value of ₹ 1 each)</b>			
Basic earning per share (in ₹)	38	4.54	6.85
Diluted earning per share (in ₹)		4.54	6.85
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761

Place : Kolkata  
Date: 9th June, 2021

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

**For and on behalf of the Board of Directors**

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

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars		31st March, 2021	31st March, 2020
<b>A</b>	<b>Cash flow from operating activities</b>		
	Net Profit/(Loss) before tax	19,926.39	32,151.71
	<b>Adjustments for :</b>		
	Depreciation and amortisation	8,794.29	9,150.20
	Amortisation of Right-of-use- assets	205.12	144.98
	Unrealised Foreign Exchange Gain /( Loss)- on export receivable	-	(29.22)
	(Profit)/ Loss on Sale of Property Plant and Equipment	71.91	(1.05)
	Interest Income (Refer Note 29)	(2,385.06)	(2,838.26)
	Finance Costs (Refer Note 34)	698.86	933.73
	Fair Valuation (gain)/ Loss on investments	(8.15)	14.57
	Allowance for doubtful trade receivables	(17.30)	2.43
	<b>Operating Profit before working Capital changes</b>	<b>27,286.06</b>	<b>39,529.09</b>
	<b>Adjustments for :</b>		
	(Increase)/Decrease in Trade receivables	(933.86)	2,180.84
	(Increase)/Decrease in Inventories	2,222.82	2,028.39
	(Increase)/Decrease in Loans	187.81	(985.43)
	(Increase)/Decrease in Other assets	4,539.97	14,252.93
	Increase/(Decrease ) in Trade and Other payables	269.78	(2,962.78)
	Increase/(Decrease ) in Other Liabilities and Provisions	4,695.65	(697.11)
	<b>Cash Generated from Operations</b>	<b>38,268.23</b>	<b>53,345.93</b>
	Income Tax Paid	(3,035.00)	(5,050.00)
	<b>Net Cashflow from Operating Activities</b>	<b>35,233.23</b>	<b>48,295.93</b>
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of Property, Plant and Equipment (including CWIP)	(10,749.95)	(22,757.85)
	Sale of Property, Plant and Equipment (including CWIP)	66.80	49.21
	Change in Share of Non controlling Interst	(4,029.12)	-
	Fixed Deposits/Margin Money Given/(Repaid)	(19,058.01)	7,548.46
	Interest received	466.34	1,605.48
	<b>Net Cash used in Investing Activities</b>	<b>(33,303.94)</b>	<b>(13,554.70)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Interest paid	(663.44)	(906.53)
	Repayment from Long Term Borrowings / Liabilities	(55.44)	(101.58)
	Repayment from Short Term Borrowings	-	(3,919.60)
	Proceeds from Short Term Borrowings	419.59	-
	Payment of Dividend ( including Dividend Distribution Tax)	-	(4,972.05)
	Buy back of Equity Shares	-	(10,200.00)
	Payment of lease liability	(35.42)	(27.20)
	<b>Net Cash used in Financing Activities</b>	<b>(334.71)</b>	<b>(20,126.96)</b>
	<b>Net Increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>1,594.58</b>	<b>14,614.27</b>
	<b>Cash and Cash Equivalents-</b>		
	<b>Opening Balance</b>	<b>24,105.63</b>	<b>9,491.36</b>
	<b>Closing Balance</b>	<b>25,700.21</b>	<b>24,105.63</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".
3. For the purpose of Consolidated Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Cash in hand	79.75	28.39
Cheques in hand	128.01	334.44
Balance with Banks	25,492.45	23,742.80
	<b>25,700.21</b>	<b>24,105.63</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761

Place : Kolkata  
Date: 9th June, 2021

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

**For and on behalf of the Board of Directors**

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

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31ST MARCH, 2021

### A. Equity share capital

Particulars	(₹ in Lakhs)
	Amount
<b>As at 1st April, 2019</b>	<b>4,192.29</b>
Changes in equity share capital	(68.00)
<b>As at 31st March, 2020</b>	<b>4,124.29</b>
Changes in equity share capital	-
<b>As at 31st March, 2021</b>	<b>4,124.29</b>

### B. Other equity

Particulars	Reserve and surplus				Other reserve	Equity attributable to owners of Star Cement Limited	Non controlling interest	Total other equity
	Capital Redemption Reserve Account	Capital reserve	General reserve	Retained Earnings	FVOCI-equity investments			
<b>Balance as at 1st April, 2019</b>	-	655.17	3,187.83	1,64,307.51	23.34	1,68,173.85	6,830.35	1,75,004.20
Addition during the year	68.00	-	-	-	-	68.00	-	68.00
Profit for the year (a)	-	-	-	28,554.98	-	28,554.98	175.36	28,730.34
Payment of Interim Dividend for the year 2019-2020 (b)	-	-	-	(4,124.29)	-	(4,124.29)	-	(4,124.29)
Tax on Interim Dividend for the year 2019-2020 (c)	-	-	-	(847.76)	-	(847.76)	-	(847.76)
Buyback of Shares during the year (d)	-	-	-	(10,200.00)	-	(10,200.00)	-	(10,200.00)
Other comprehensive income /(loss) (net of tax) (e)	-	-	-	(36.28)	(0.12)	(36.40)	(0.57)	(36.97)
<b>Total comprehensive income for the year (a + b+c+d+e)</b>	<b>68.00</b>	<b>-</b>	<b>-</b>	<b>13,346.65</b>	<b>(0.12)</b>	<b>13,414.53</b>	<b>174.79</b>	<b>13,589.32</b>
<b>Balance as at 1st April, 2020</b>	<b>68.00</b>	<b>655.17</b>	<b>3,187.83</b>	<b>1,77,654.16</b>	<b>23.22</b>	<b>1,81,588.38</b>	<b>7,005.14</b>	<b>1,88,593.52</b>
Addition during the year	-	2,976.02	-	-	-	2,976.02	(7,005.14)	(4,029.12)
Profit for the year (a)	-	-	-	18,712.99	-	18,712.99	-	18,712.99
Other comprehensive income /(loss) (net of tax) (b)	-	-	-	12.83	1.62	14.45	-	14.45
Total comprehensive income for the year (a + b)	-	2,976.02	-	18,725.82	1.62	21,703.46	(7,005.14)	14,698.32
<b>Balance as at 31st March, 2021</b>	<b>68.00</b>	<b>3,631.19</b>	<b>3,187.83</b>	<b>1,96,379.98</b>	<b>24.84</b>	<b>2,03,291.84</b>	<b>-</b>	<b>2,03,291.84</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajer & Co.**  
Chartered Accountants  
Firm Registration No.: 304138E

**Manoj K Roongta**  
Partner  
Membership No. 057761

Place : Kolkata  
Date: 9th June, 2021

**Sanjay Kumar Gupta**  
Chief Executive Officer

**Manoj Agarwal**  
Chief Financial Officer

**Debabrata Thakurta**  
Company Secretary

**For and on behalf of the Board of Directors**

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

**Rajendra Chamaria**  
Vice-Chairman & Managing Director  
DIN:00246171

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

## 1. PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

### a) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated Balance Sheet respectively.

### b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method, after initially being recognised at cost.

#### *Equity method*

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

#### (i) *Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015], amendments thereto, and other relevant provisions of the Act.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on 09th June, 2021

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

#### (ii) *Historical Cost Convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- Net defined benefit asset/liability which is Fair value of plan assets less present value of defined benefit obligations
- Certain financial assets and financial liabilities that are measured at fair value.

#### (iii) *Current and non-current classification*

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### (iv) *Rounding off amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### 2.2 Use of Estimates

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

- i) Classification of legal matters and tax litigation
- ii) Defined benefit obligations
- iii) Useful life of property, plant and equipment
- iv) Leases Ind AS 116

**2.3 Foreign Currency Transactions and Balances**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Star Cement Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expenses in the Statement of Profit and Loss. All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The Group has adopted the provisions of para D13AA of Ind AS 101, "First- Time Adoption of Indian Accounting Standards" for recognising exchange differences for long-term foreign currency monetary items as on the date of Ind AS adoption, as per the provision of para 46A of AS-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on

restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

**2.4 Property, plant and equipment**

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortisation and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. Railway sidings the ownership of which vests with the Railway authorities are depreciated over five years.

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced the Group depreciates them separately based on their specific useful lives.. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

**Capital Work In Progress**

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets"

**Expenditure during construction period**

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, until the project is ready for its intended use are capitalised.

**Depreciation**

Depreciation on Property, plant and equipment is provided on Written Down Value (WDV) 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. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Office building is owned by the Group and is amortised using the straight- line method over the period of lease of land on

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

which it is constructed. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognised 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 recognised impairment loss is further provided or reversed depending on changes in circumstances.

### 2.5 Intangible Asset

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

### 2.6 Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

### 2.7 Lease-

#### As a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset and lease payments made at or before the commencement date less any lease incentives received. After the commencement date, the Right of use assets are measured applying the Cost model. They are subsequently measured at cost, less any accumulated depreciation, adjustments for any remeasurement of the lease liabilities and impairment losses. Right-of-use assets are depreciated on a

straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### As a Lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

### 2.8 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/reimbursement of any particular item of expenses are recognised in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Balance Sheet as deferred income, are recognised to the



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Statement of Profit and Loss on a systematic basis over the useful life of the related assets by netting off with the related expense

**2.9 Inventories**

**Raw materials, stores and spare parts, fuel and packing material:**

Raw materials, stores and spares and fuel and packing material are valued at lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

**Work-in-progress, finished goods and stock in trade:**

Work-in-progress, finished goods and stock in trade are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on weighted average basis.

Net realisable 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.

**2.10 Business combinations**

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

**2.11 Investment in Subsidiaries**

The Group's investments in its subsidiaries are carried at cost.

**2.12 Investments and other financial assets**

**Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value

(either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments**

The Group subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However, where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

**Impairment of financial assets**

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

### 2.13 Trade receivables

Trade receivables are recognised initially at transaction price. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be presented as an expense. Subsequently, the trade receivables are measured at cost less expected credit losses. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. The Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The loss allowance is measured at an amount equal to lifetime expected credit losses.

### 2.14 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and demand deposits with banks and other short-term highly liquid investments/deposits that are readily convertible into cash which are subject to insignificant risk of changes in value with an original maturity of three months or less.

### 2.15 Financial liabilities

#### Initial recognition and measurement

The Group recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

#### Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

### De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### 2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### 2.17 Borrowing Costs

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

### 2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**2.20(A) Revenue Recognition**

Revenue from sale of goods is recognised when control of the products has been transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence/ loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based fair on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/ (loss).

**Unfulfilled performance obligations**

The Group provides certain benefits to customers for purchasing products from the Group. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/ disbursed till the end of a reporting period these are recorded.

A contract liability is not recognised until the benefit is provided.

**(B) Other Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

**2.21 Employee Benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Defined Contribution Plan**

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

**(iii) Defined Benefit Plan**

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

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

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

**2.22 Tax Expenses**

Tax expense comprises current tax and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. Deferred tax is computed on temporary differences arising between the tax bases of assets and liabilities

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

and their carrying amounts in the consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred taxes are recognised in profit and loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the taxes are recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognised to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the

MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period

### 2.23 Earnings Per Share

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

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

### 2.24 Provisions and Contingencies

A Provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

### 2.25 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### 2.26 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**3. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Land & Site Development	Office Building	Factory Building	Non Factory Building	Plant & Machinery	Railway Sidding	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Tools & Tackles	Total
<b>Gross Carrying Value</b>												
<b>At 1st April, 2019</b>	<b>9,547.05</b>	-	<b>14,273.13</b>	<b>6,279.03</b>	<b>73,527.46</b>	<b>1,557.00</b>	<b>425.79</b>	<b>184.72</b>	<b>269.68</b>	<b>3,106.32</b>	<b>379.70</b>	<b>1,09,549.89</b>
Additions	267.61	1,203.16	16.88	386.47	972.73	2,006.90	522.39	309.90	117.73	869.74	158.93	6,832.44
Disposals/deductions/adjustments	-	-	-	-	128.06	-	0.17	17.48	-	48.19	0.51	194.41
<b>At 31st March, 2020</b>	<b>9,814.66</b>	<b>1,203.16</b>	<b>14,290.01</b>	<b>6,665.50</b>	<b>74,372.12</b>	<b>3,563.90</b>	<b>948.02</b>	<b>477.15</b>	<b>387.41</b>	<b>3,927.86</b>	<b>538.12</b>	<b>1,16,187.91</b>
Additions	1,065.76	-	4,001.06	102.06	15,303.51	328.26	75.09	55.85	77.10	989.00	28.65	22,026.35
Disposals/deductions/adjustments	-	-	-	-	159.72	-	7.59	5.33	12.49	162.35	46.21	393.69
<b>At 31st March, 2021</b>	<b>10,880.42</b>	<b>1,203.16</b>	<b>18,291.07</b>	<b>6,767.56</b>	<b>89,515.91</b>	<b>3,892.16</b>	<b>1,015.52</b>	<b>527.67</b>	<b>452.02</b>	<b>4,754.51</b>	<b>520.56</b>	<b>1,37,820.57</b>
<b>Accumulated Depreciation</b>												
<b>At 1st April, 2019</b>	-	-	<b>3,603.12</b>	<b>1,825.57</b>	<b>29,947.11</b>	<b>0.77</b>	<b>211.22</b>	<b>106.05</b>	<b>169.17</b>	<b>1,275.13</b>	<b>199.23</b>	<b>37,337.38</b>
Charge for the year	-	47.14	1,016.62	332.83	6,949.73	282.74	170.73	133.16	75.00	612.19	55.13	9,675.27
Disposals/deductions/adjustments	-	-	-	-	67.89	-	0.16	12.92	-	41.90	0.36	123.23
<b>At 31st March, 2020</b>	-	<b>47.14</b>	<b>4,619.74</b>	<b>2,158.40</b>	<b>36,828.94</b>	<b>283.51</b>	<b>381.79</b>	<b>226.30</b>	<b>244.17</b>	<b>1,845.43</b>	<b>254.00</b>	<b>46,889.42</b>
Charge for the year	-	54	999.50	364.59	6,045.34	617.98	149.99	114.90	72.84	671.45	65.92	9,156.87
Disposals/deductions/adjustments	-	-	-	-	58.21	-	2.57	1.32	7.19	115.64	32.24	217.18
<b>At 31st March, 2021</b>	-	<b>101.49</b>	<b>5,619.24</b>	<b>2,522.99</b>	<b>42,816.07</b>	<b>901.49</b>	<b>529.21</b>	<b>339.88</b>	<b>309.82</b>	<b>2,401.24</b>	<b>287.68</b>	<b>55,829.11</b>
<b>Net Carrying Value</b>												
At 31st March, 2020	9,814.66	1,156.02	9,670.27	4,507.10	37,543.18	3,280.39	566.23	250.85	143.24	2,082.43	284.12	69,298.49
<b>At 31st March, 2021</b>	<b>10,880.42</b>	<b>1,101.67</b>	<b>12,671.83</b>	<b>4,244.57</b>	<b>46,699.84</b>	<b>2,990.67</b>	<b>486.31</b>	<b>187.79</b>	<b>142.20</b>	<b>2,353.27</b>	<b>232.88</b>	<b>81,991.46</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 3.1 Capitalisation of Expenditures

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Balance at the beginning of the year included in capital work-in-progress	23,754.83	7,587.60
Add : Expenditure during construction for projects	9,743.56	20,409.45
Less : Capitalised during the year	20,837.35	4,242.22
Balance at the end of the year included in capital work-in-progress	<b>12,661.04</b>	<b>23,754.83</b>

### 3.2 Right-of-use assets

(₹ in Lakhs)

Particulars	Non Factory Building
<b>Gross Carrying Value</b>	
<b>At 1st April, 2019</b>	-
Addition (Transitional impact on adoption of Ind AS 116)	441.25
Disposals	-
<b>At 31st March, 2020</b>	<b>441.25</b>
Addition	208.81
Disposals	13.59
<b>At 31st March, 2021</b>	<b>636.47</b>
Accumulated Depreciation	
<b>At 1st April, 2019</b>	-
charge for the year	151.23
Disposals/deductions/adjustment	-
<b>At 31st March, 2020</b>	<b>151.23</b>
charge for the year	216.66
Disposals/deductions/adjustment	-
<b>At 31st March, 2021</b>	<b>367.89</b>
Net Carrying Value	
At 31st March, 2020	290.02
<b>At 31st March, 2021</b>	<b>268.58</b>

### 3.3 Intangible assets

(₹ in Lakhs)

Particulars	Intangible Assets
<b>Gross Carrying Value</b>	
<b>At 1st April, 2019</b>	<b>59.39</b>
Additions	16.42
Disposals/deductions/adjustments	-
<b>At 31st March, 2020</b>	<b>75.81</b>
Additions	25.74
Disposals/deductions/adjustments	0.19
<b>At 31st March, 2021</b>	<b>101.36</b>
Accumulated Amortisation	
<b>At 1st April, 2019</b>	<b>39.77</b>
Charge for the year	11.95
Disposals/deductions/adjustments	-
<b>At 31st March, 2020</b>	<b>51.72</b>
Charge for the year	13.09
Disposals/deductions/adjustments	-
<b>At 31st March, 2021</b>	<b>64.81</b>
Net Carrying Value	
At 31st March, 2020	24.09
<b>At 31st March, 2021</b>	<b>36.55</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

- During the year Group has sold/discarded of Property, plant & equipment amounting to ₹ 393.69 Lakhs (31st March, 2020 - ₹ 194.41 Lakhs)
- Depreciation for the year includes ₹ 121.58 Lakhs (31st March, 2020 - ₹ 131.71 Lakhs) capitalised as Pre-operative expenses.
- During the year ended foreign exchange gain/(loss) of Nil (31st March, 2020 - ₹ 6.21 Lakhs) is adjusted to Property, Plant & Equipment in accordance with para 46A of AS-11(Previous GAAP) and Ind AS 101.

**4. OTHER INVESTMENTS - NON-CURRENT**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<b>Investment at FVOCI ( Unquoted Equity Instruments)</b>		
<b>Ribhoi Engineering Company Private Limited</b>		
27,000 ( 27,000 as at 31st March, 2020) Equity Share of ₹10/- each fully paid up)	27.54	25.92
<b>Adonis Vyapaar Pvt. Ltd.</b>	34.61	33.05
3,55,509 (3,55,509 as at 31st March, 2020) Equity Shares of ₹ 10/- each fully paid up		
<b>Apanapan Viniyog Pvt. Ltd.</b>	34.62	33.05
3,55,509 (3,55,509 as at 31st March, 2020 ) Equity Shares of ₹ 10/- each fully paid up		
<b>Ara Suppliers Pvt Ltd</b>	34.42	32.85
3,55,509 (3,55,509 as at 31st March, 2020 ) Equity Shares of ₹ 10/- each fully paid up		
<b>Arham Sales Pvt. Ltd.</b>	34.65	33.09
3,55,509 (3,55,509 as at 31st March, 2020) Equity Shares of ₹ 10/- each fully paid up		
<b>Quoted Equity Instruments</b>		
<b>Reliance Power Limited</b>	0.38	0.11
8,743 (8,743 as at 31st March, 2020) Equity Shares of ₹ 10/- each fully paid up.		
	<b>166.22</b>	<b>158.07</b>
Aggregate market value of Quoted investment	0.38	0.11
Aggregate carrying amount of Quoted investment	24.54	24.54
Aggregate amount of unquoted investments	165.84	157.96

**5. LOANS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
Security deposits	436.42	439.36
	<b>436.42</b>	<b>439.36</b>

**6. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Balance with banks held as margin money deposits with original maturity of more than 12 months	27.89	26.40
	<b>27.89</b>	<b>26.40</b>

**6.1** The bank balance disclosed above represents margin money against bank guarantee.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**7. DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Deferred tax liabilities</i>		
-Property, plant and equipment	849.03	867.10
Gross deferred tax liabilities	<b>849.03</b>	<b>867.10</b>
<i>Deferred tax assets</i>		
- MAT credit entitlement	31,089.75	29,417.67
- Gratuity & leave encashment	274.43	151.12
-Adjustments on Consolidation	226.09	232.02
-Business Loss	381.61	-
Gross deferred tax assets	<b>31,971.88</b>	<b>29,800.81</b>
<b>Deferred tax assets (net)</b>	<b>31,122.85</b>	<b>28,933.71</b>

**8. NON CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Advance income tax and TDS Receivables (net of provision for taxation of ₹ 5,814.12 Lakhs as on 31 March, 2021, ₹ 5,292.35 Lakhs as on 31st March, 2020)	631.63	643.57
	<b>631.63</b>	<b>643.57</b>

**9. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Capital advances (Refer note 9.1 below)</i>		
Secured, considered good	92.07	-
Unsecured, considered good	6,095.46	6,184.79
Deposits with statutory authority		
Unsecured, considered good	91.14	116.07
Unammortised Expenses		
Unsecured, considered good	0.42	0.42
	<b>6,279.09</b>	<b>6,301.28</b>

**9.1** Capital Advances includes advance against land of ₹ 3,928.71 Lakhs of Company and its subsidiaries. The Company and its subsidiaries are in the process of getting registration in its name.

**10. INVENTORIES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<b>(Valued at Lower of Cost or Net Realisable Value)</b>		
Raw materials [including in transit as at 31st March, 2021 ₹ 925.57 Lakhs and 31st March, 2020: ₹ 78.70 Lakhs ]	4,464.04	3,830.90
Work - in - progress	205.13	325.01
Finished goods [including in transit- ₹ 550.19 Lakhs 31st March, 2020: ₹ 141.64 Lakhs ] and [ Power inventory (with MePTCL) ₹ 170.54 Lakhs (31st March, 2020: ₹ 872.16 Lakhs) ]	6,084.60	4,479.24
Stock in Trade (including in transit as at 31st March, 2021 - ₹ Nil and 31st March, 2020 : ₹ Nil )	-	59.65
Fuels, packing materials, etc.	7,887.36	13,265.31
Stores & Spares parts	4,826.91	3,730.75
	<b>23,468.04</b>	<b>25,690.86</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**11. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Secured, considered good	5,926.11	4,791.05
Unsecured, considered good	7,247.30	7,431.20
Unsecured, considered doubtful	132.12	149.41
Less: Allowance for doubtful trade receivables	(132.12)	(149.41)
	<b>13,173.41</b>	<b>12,222.25</b>

**12. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Cash in hand	79.75	28.39
Cheques in hand	128.01	334.44
Balance with Banks		
- In current accounts/cash credit accounts	710.53	618.60
- In fixed deposit accounts including interest with original maturity of upto 3 months	24,781.92	23,124.20
	<b>25,700.21</b>	<b>24,105.63</b>

**13. BANK BALANCES (OTHER THAN NOTE 12 ABOVE)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Unpaid dividend account (Refer Note 13.1 below)	14.40	9.62
In Fixed Deposit accounts including interest with original maturity of more than 3 months and upto 12 months	23,013.25	3,995.00
Balance with banks held as margin money deposits with original maturity of more than 3 months and upto 12 months (Refer Note 13.1 below)	307.53	272.55
	<b>23,335.18</b>	<b>4,277.17</b>

**13.1** The bank balance disclosed above represents margin money against bank guarantee and unpaid dividend account are subject to regulatory restrictions and are therefore not available for general use by the Company.

**14. LOANS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
Security deposits	78.89	176.55
Loans to Body Corporate (other than related party)	4,229.86	4,317.07
	<b>4,308.75</b>	<b>4,493.62</b>

**15. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
Advances to a related party	35.61	36.04
	<b>35.61</b>	<b>36.04</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**16. OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Unsecured, considered good</i>		
-Advances to suppliers	5,503.24	2,504.13
-Stamp paper in hand	0.64	0.20
-Advances for services & expenses	753.91	346.05
-Prepaid expenses	1,146.02	706.36
-Subsidies /incentives receivable from central/state governments	21,146.82	27,893.54
-Balances with statutory/government authorities	3,624.78	3,461.28
-Advances to employees	110.45	116.40
-Interest / Insurance Claim Receivable (Claim of Cash theft for ₹ 50 Lakhs)	287.23	92.12
<i>Unsecured, considered doubtful</i>		
-Doubtful advances	17.37	17.37
Less: Allowance for bad & doubtful advances	(17.37)	(17.37)
	<b>32,573.09</b>	<b>35,120.08</b>

**17. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
83,00,00,000 (83,00,00,000 as at 31 March, 2020 ) Equity Shares of ₹ 1/- each fully paid )	8,300.00	8,300.00
Issued, Subscribed & fully Paid -up shares	4,124.29	4,124.29
41,24,28,997 ( 41,24,28,997 as at 31 March, 2020) Equity Shares of ₹ 1/- each fully paid )	<b>4,124.29</b>	<b>4,124.29</b>

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

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 dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

- b During the previous year the Company has bought back 68,00,000 Equity Shares of ₹ 1 each from all the existing shareholders/ beneficial owners of the Company as on record date i.e., 5th July, 2019 on a proportionate basis through tender offer route at a price of ₹150/- each for an aggregate amount of ₹102,00,00,000/-. The payments have been made to all the eligible shareholders on 15th November, 2019, subsequently the bought back shares have been extinguished.

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

Equity shares	No. of Shares	No. of Shares
At the beginning of the year	41,24,28,997	41,92,28,997
Buyback of shares for the year 2019-2020	-	(68,00,000)
Outstanding at the end of the year	<b>41,24,28,997</b>	<b>41,24,28,997</b>

**d Details of shareholders holding more than 5% of equity share capital**

Name of the shareholders	No. of Shares % of holding	No. of Shares % of holding
Sajjan Bhajanka	4,68,31,636 11.36%	4,67,21,636 11.33%
Prem Bhajanka	3,77,18,954 9.15%	3,77,18,954 9.15%
SBI Equity Hybrid Fund	2,50,13,431 6.06%	2,37,44,583 5.76%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

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

**18. OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Capital reserve		
Opening Balance	655.17	655.17
Addition/(deduction) during the year	2,976.02	-
	<b>3,631.19</b>	<b>655.17</b>
Capital Redemption Reserve Account		
Balance as per last account	68.00	-
Addition during the year- Transferred from Retained Earning	-	68.00
	<b>68.00</b>	<b>68.00</b>
General reserve		
Opening Balance	3,187.83	3,187.83
Addition/(deduction) during the year	-	-
	<b>3,187.83</b>	<b>3,187.83</b>
Retained earnings		
Opening Balance	1,77,654.16	1,64,307.51
Profit /(loss) for the year	18,712.99	28,554.98
	<b>1,96,367.15</b>	<b>1,92,862.49</b>
Less : Appropriation		
Payment of Interim Dividend for the year 2019-2020	-	4,124.29
Interim Dividend Distribution Tax for the year 2019-2020	-	847.76
Buyback of Shares for the year 2019-2020	-	10,200.00
	<b>1,96,367.15</b>	<b>1,77,690.44</b>
Items of other comprehensive income directly recognised in retained earnings		
Remeasurement net of post-employment benefit obligations (net of tax)	12.83	(36.28)
	<b>1,96,379.98</b>	<b>1,77,654.16</b>
Equity Instruments through Other Comprehensive Income		
Opening balance	23.22	23.34
Change in fair value of FVOCI equity instruments	1.62	(0.12)
	<b>24.84</b>	<b>23.22</b>
<b>Total Other equity</b>	<b>2,03,291.84</b>	<b>1,81,588.38</b>

**Nature and purpose of reserves**
*Capital Reserve*

During amalgamation with Star Ferro and Cement Limited , the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

*General reserve*

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act,1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

*Capital Redemption Reserve*

In accordance with section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

*Retained earnings*

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

*FVOCI equity investments*

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**19. BORROWINGS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Other loans (secured)</i>		
-Hire purchase finance from banks [Refer note (a) below]	74.18	298.60
Less: Current maturities of long term borrowings	(55.44)	(224.42)
	<b>18.74</b>	<b>74.18</b>

**Notes-**

- (a) Hire purchase finance is secured by hypothecation of respective vehicles/equipments of the company and its subsidiaries and is repayable within three years having varying date of payment.
- (b) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

**20. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES)**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Security deposit	12,923.22	10,791.44
Lease Liabilities (Refer Note 48)	149.17	169.63
	<b>13,072.39</b>	<b>10,961.07</b>

**21. PROVISIONS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Provision for employee benefits (Refer Note 39)		
- Gratuity	523.15	434.70
	<b>523.15</b>	<b>434.70</b>

**22. OTHER NON CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
-Deferred government grant	1,056.10	1,259.25
	<b>1,056.10</b>	<b>1,259.25</b>

**23. BORROWINGS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Secured-Repayable on demand</i>		
Working capital facilities from banks (Secured)		
- Cash credit	1,457.02	1,037.43
	<b>1,457.02</b>	<b>1,037.43</b>

- a Working Capital facilities of ₹ 541.23 Lakhs (31st March, 2020 : ₹ 296.39 Lakhs) from banks are secured by pari passu first charge on current assets and second pari passu charge on Property, plant and equipment of the Company's cement grinding unit at Guwahati, Assam. These working capital facilities have been guaranteed by some of the Directors of the Company. (Refer Note 49 -Related Party transactions)
- b Working capital facilities of ₹ 144.59 Lakhs (31st March, 2020 : ₹ 217.11 Lakhs) from banks are secured by pari passu first charge on current assets and pari passu second charge on Property, plant and equipment of the Company's cement plant at Lumshnong, Meghalaya. These working capital facilities have been guaranteed by some of the Directors of the Company. (Refer Note 49 -Related Party transactions)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

- c Working capital facilities from banks of ₹ 735.60 Lakhs (31st March, 2020 : ₹ 128.57 Lakhs) are secured by pari passu first charge on current assets and pari passu second charge on Property, plant and equipment of the Company's subsidiary clinker unit at Lumshnong, Meghalaya.
- d Working capital facilities from Banks of ₹ 35.60 Lakhs (31st March, 2020 : ₹ 395.36 Lakhs) are secured by Pari Passu first charge on current assets and pari passu second charge on Property, plant and equipment of the Company's subsidiary power plants at Lumshnong, Meghalaya. Further the Working Capital facilities from Banks have been guaranteed by some of the Directors of the Company. (Refer Note 49 -Related Party transactions)

**24. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES)**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Current maturities of long-term borrowings	55.44	224.42
Interest accrued but not due on borrowings	0.54	1.14
Unclaimed dividend	14.40	9.62
Other payables	-	-
Retention money	468.79	257.32
Security deposit	4.16	10.15
Creditors for capital goods	602.63	992.27
Lease Liabilities (Refer Note 48)	137.99	131.81
Salary and bonus to employees	586.54	314.70
Creditors for services and expenses	3,423.80	3,161.38
Discounts and incentives to dealers	4,224.09	3,279.95
Creditors for employees expenses	33.57	32.64
Other liabilities	5,069.77	5,052.63
	<b>14,621.72</b>	<b>13,468.03</b>

**24.1** Amount to be transferred to the Investor Education and Protection Fund shall be determined on the respective due date and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

**25. PROVISIONS**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Provision for employee benefits (Refer Note 39)		
-Leave encashment	382.58	355.65
-Gratuity	89.26	86.69
	<b>471.84</b>	<b>442.34</b>

**26. OTHER CURRENT LIABILITIES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Other payables		
Statutory Liabilities	6,037.98	3,665.05
Advances from customer	1,236.70	1,920.91
Other liabilities	2.32	2.24
Current Portion of Deferred government grant	203.14	254.07
	<b>7,480.14</b>	<b>5,842.27</b>

**27. CURRENT TAX LIABILITIES (NET)**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Provision for taxation (net of advance tax of ₹ 2,705.81 Lakhs and ₹ Nil for 31st March, 2020)	250.62	-
	<b>250.62</b>	<b>-</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**28. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Sale of products</i>		
Domestic	1,69,748.52	1,81,666.01
Export	2,112.08	2,336.83
	<b>1,71,860.60</b>	<b>1,84,002.84</b>
<i>Other operating income</i>		
Sale of Scrap	130.36	225.96
Bad Debts Recovery Account	2.19	0.81
Others	0.07	85.13
	<b>1,71,993.22</b>	<b>1,84,314.74</b>

**Note:**

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Revenue as per contract price	1,86,133.55	1,98,926.36
Discount and incentives	(14,272.95)	(14,923.52)
<b>Revenue as per statement of profit and loss</b>	<b>1,71,860.60</b>	<b>1,84,002.84</b>

**29. OTHER INCOME**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
<i>Interest income from financial instrument measured at amortised cost</i>		
Bank deposits	2,361.74	2,580.62
Interest on Loan	340.62	253.04
Others	23.32	4.60
Fair Value of Equity Instrument	6.53	(14.57)
Miscellaneous receipts	89.85	119.90
	<b>2,822.06</b>	<b>2,943.59</b>

**30. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Inventory at the beginning of the year	3,830.90	3,456.28
Add: Purchases	38,092.69	34,271.55
	<b>41,923.59</b>	<b>37,727.83</b>
Less : Inventory at the end of the year	4,464.04	3,830.90
	<b>37,459.55</b>	<b>33,896.93</b>

(₹ in Lakhs)

Details of Raw materials Consumed	31st March, 2021	31st March, 2020
Limestone	5,475.26	6,521.01
Shale	462.69	588.40
Iron Mill Scale	328.33	135.91
Gypsum	2,159.34	1,559.02
Fly ash	11,357.16	12,561.87
Others including freight on clinker	17,676.77	12,530.72
	<b>37,459.55</b>	<b>33,896.93</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**31. COST OF STOCK-IN-TRADE**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Inventory at the beginning of the year	59.65	125.66
Add: Purchases	4,097.42	10,943.27
	<b>4,157.07</b>	<b>11,068.93</b>
Less : Inventory at the end of the year	-	59.65
	<b>4,157.07</b>	<b>11,009.28</b>

**32. CHANGES IN INVENTORIES OF FINISHED GOOD AND WORK- IN- PROGRESS**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Work in progress		
Opening stock	325.01	185.82
Closing stock	205.13	325.01
	(119.88)	139.19
Finished goods		
Opening stock	4,479.24	3,828.81
Trial Run Production	192.66	-
Closing stock	6,084.60	4,479.24
	1,412.70	650.43
	<b>(1,292.82)</b>	<b>(789.62)</b>

**33. EMPLOYEE BENEFIT EXPENSES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Salaries & wages	12,344.82	11,904.57
Contribution to provident fund and other funds	382.37	368.23
Employees Welfare expenses	405.90	383.21
	<b>13,133.09</b>	<b>12,656.01</b>

**34. FINANCE COSTS**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Interest expense		
-On loans measured at amortised cost	520.76	758.69
Other Borrowing costs	178.10	175.04
	<b>698.86</b>	<b>933.73</b>

**35. DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Depreciation on Property, Plant and Equipment	8,781.20	9,138.37
Amortisation of Right-of-use-assets	205.12	144.98
Amortisation of Intangible Assets	13.09	11.83
	<b>8,999.41</b>	<b>9,295.18</b>

**35.1** Depreciation is net off amortisation of Government Grant of ₹ 254.08 Lakhs as at 31st March, 2021 and ₹ 404.74 Lakhs as at 31st March, 2020.

**35.2** Amortisation of Right-of-use- assets of ₹ 11.54 Lakhs (31st March, 2020 ₹ 6.25 Lakhs) capitalised as Pre-operative expenses.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**36. OTHER EXPENSES**

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Consumption of Stores & Spares	1,067.25	1,294.17
Packing Materials	5,077.57	5,026.25
Power & Fuel	33,840.04	36,024.69
Repairs & Maintenance		
- Building	298.53	270.25
- Plant & Machinery	1,497.66	1,312.21
- Others	764.05	446.15
Heavy Vehicle / Equipment Running Expenses	629.74	694.62
Travelling and Conveyance	565.43	914.99
Insurance	429.25	223.57
Rent, Rates & Taxes	708.59	794.08
Research & Development Expenses	45.06	64.62
Charity & Donation	1,360.59	840.97
Miscellaneous Expenses	3,064.36	3,161.48
CSR Expenses [Refer Note 47 ]	827.85	655.70
Advertisement & Publicity	1,710.33	2,653.96
Outward Freight Charges	31,787.94	35,303.89
Sales Promotion Expenses	482.71	875.40
Commission & Incentives	1,119.36	1,475.40
	<b>85,276.31</b>	<b>92,032.40</b>

**37. INCOME TAX EXPENSES**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>(a) Current tax</b>		
Current tax on profits for the year	3,407.63	5,339.75
<b>Total current tax expense</b>	<b>3,407.63</b>	<b>5,339.75</b>
<b>(b) Deferred tax</b>		
Deferred tax benefit	(2,203.79)	(1,915.13)
<b>Total deferred income tax expense/(benefit)</b>	<b>(2,203.79)</b>	<b>(1,915.13)</b>
<b>(c) Income tax for earlier years</b>	<b>9.56</b>	<b>(3.25)</b>
<b>Tax expenses</b>	<b>1,213.40</b>	<b>3,421.37</b>

**37.1** Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit before income tax expense	19,926.39	32,151.71
<b>Tax at the Indian tax rate of 34.944% (31st March, 2020 - 34.944%)</b>	<b>6,963.08</b>	<b>11,235.09</b>
Item not deductible / taxable under tax	(695.60)	(21.38)
Effect of allowances/ tax holidays for tax purpose	(4,764.94)	(7,446.98)
Difference in tax rates of subsidiaries	455.39	(56.70)
Others	(754.08)	(285.41)
Income tax for earlier years	9.56	(3.25)
<b>Tax expenses</b>	<b>1,213.40</b>	<b>3,421.37</b>

**37.2** The Tax Rate used for the year 2020-21 and 2019-20 reconciliation above is the Corporate tax rate of 34.944% (30%+ surcharge @12% + education cess @4%) payable on taxable profits under the Income Tax Act, 1961.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**38. EARNINGS PER SHARE**
**(a) Basic earnings per share**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Basic earnings per share attributable to the Equity Shareholders (in ₹)	4.54	6.85

**(b) Diluted earnings per share**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Diluted earnings per share attributable to the Equity Shareholders (in ₹)	4.54	6.85

**(c) Reconciliations of earnings used in calculating earnings per share**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit attributable to equity holders used in calculating basic earnings per share	18,712.99	28,554.98
Profit attributable to equity holders used in calculating diluted earnings per share	18,712.99	28,554.98

**(d) Weighted average number of equity shares used as the denominator**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	41,24,28,997	41,66,65,063
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	41,24,28,997	41,66,65,063

**39. DISCLOSURE AS PER IND AS 19, 'EMPLOYEES BENEFIT' AS REGARDS DEFINED BENEFIT SCHEME (GRATUITY)**
**(a) Leave encashment**

Under leave encashment scheme, the Group allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Leave obligations not expected to be settled within the next 12 months	335.57	310.19

**(b) Post-employment obligations**
**i) Gratuity**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with the insurance companies.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**39. DISCLOSURE AS PER IND AS 19, 'EMPLOYEES BENEFIT' AS REGARDS DEFINED BENEFIT SCHEME (GRATUITY) (Contd.)**

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakhs)			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1st April, 2019</b>	638.70	(291.20)	347.50
Current service cost	96.55	-	96.55
Interest expense/(income)	42.86	(20.04)	22.82
<b>Total amount recognised in profit or loss</b>	<b>139.41</b>	<b>(20.04)</b>	<b>119.37</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.42)	(1.42)
Actuarial (gain)/loss from change in financial assumptions	52.15	-	52.15
Actuarial (gain)/loss from unexpected experience	4.70	-	4.70
<b>Total amount recognised in other comprehensive income</b>	<b>56.85</b>	<b>(1.42)</b>	<b>55.43</b>
Employer contributions/ premium paid	-	(0.91)	(0.91)
Benefit paid	(42.91)	42.91	-
<b>31st March, 2020</b>	<b>792.05</b>	<b>(270.66)</b>	<b>521.39</b>

(₹ in Lakhs)			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1st April, 2020</b>	792.05	(270.66)	521.39
Current service cost	101.94	-	101.94
Interest expense/(income)	55.11	(18.10)	37.01
<b>Total amount recognised in profit or loss</b>	<b>157.05</b>	<b>(18.10)</b>	<b>138.95</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.37	0.37
Actuarial (gain)/loss from change in financial assumptions	10.63	-	10.63
Actuarial (gain)/loss from unexpected experience	(28.93)	-	(28.93)
<b>Total amount recognised in other comprehensive income</b>	<b>(18.30)</b>	<b>0.37</b>	<b>(17.93)</b>
Employer contributions/premium paid	-	(30.00)	(30.00)
Benefit paid	(44.46)	44.46	-
<b>31st March, 2021</b>	<b>886.34</b>	<b>(273.93)</b>	<b>612.41</b>

**Net asset / (liability) recognised in the balance sheet**

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Present value of Defined Benefit Obligation	886.34	792.05
Fair Value of Plan Assets	(273.93)	(270.66)
<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>612.41</b>	<b>521.39</b>
Current Asset/(liability)	89.26	86.69
Non-Current Asset/(liability)	523.15	434.70



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**39. DISCLOSURE AS PER IND AS 19, 'EMPLOYEES BENEFIT' AS REGARDS DEFINED BENEFIT SCHEME (GRATUITY) (Contd.)**
**(ii) Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows:

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.90%	7.00%
Expected return on plan asset	6.90%	7.00%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2012-14) Table	IALM (2006-08) Table

**(iii) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31st March, 2021		31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(809.47)	725.58	(722.49)	666.18
Salary growth rate (-/+ 1%)	961.19	(615.15)	664.66	(403.44)
Withdrawal rate (-/+ 1%)	886.37	(660.73)	613.96	(430.27)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(iv) The major categories of plan assets**

The defined benefit plans are funded with Insurance Company of India. The Group does not have any liberty to manage the funds provided to insurance company.

Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	31st March, 2021	31st March, 2020
Funds managed by Insurer	100%	100%

**(v) Risk exposure**

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

*Investment risk:*

The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies.

*Interest risk:*

A decrease in the interest rate on plan assets will increase the plan liability.

*Life expectancy:*

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

*Salary growth risk*

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the life expectancy of the plan participants will increase the plan liability.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 39. DISCLOSURE AS PER IND AS 19, 'EMPLOYEES BENEFIT' AS REGARDS DEFINED BENEFIT SCHEME (GRATUITY) (Contd.)

#### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2022 are ₹ 149.90 Lakhs.

The weighted average duration of the defined benefit obligation is 6.33 years (31st March, 2020: 5.76 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in Lakhs)		
	Less than a year	Between 2- 5 years	Between 5- 10 years
31st March, 2021	89.26	152.00	434.46
31st March, 2020	86.69	213.83	328.95

#### c) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 382.37 Lakhs (31st March, 2020: ₹ 368.23 Lakhs).

### 40. CAPITAL MANAGEMENT

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares .

The amount mentioned under total equity in balance sheet is considered as Capital.

The Company does not have any externally imposed capital requirements.

#### (b) Dividends paid

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<b>(i) Equity shares</b>		
Interim dividend for the year end 31st March, 2021 ₹ Nil (31st March, 2020 - ₹ 1 per share)	-	4,124.29

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**41. ASSETS PLEDGED AS SECURITY**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
<b>Current</b>		
<i>First charge</i>		
Trade receivables	12,235.94	12,169.69
Inventories	21,355.49	25,570.20
Cash and cash equivalents	23,308.61	23,881.03
Bank balances	21,371.81	2,783.00
Other financial assets	4,321.45	4,159.76
Other current assets	32,184.33	34,200.18
<b>Total current assets</b>	<b>1,14,777.63</b>	<b>1,02,763.86</b>
<b>Non Current</b>		
<i>First charge</i>		
Property, plant and equipment( including Capital work-in-progress)	48,889.27	69,969.58
<b>Total non-currents assets</b>	<b>48,889.27</b>	<b>69,969.58</b>
<b>Total assets pledged as security</b>	<b>1,63,666.90</b>	<b>1,72,733.44</b>

**42. FINANCIAL INSTRUMENTS BY CATEGORY**

Particulars	(₹ in Lakhs)					
	31st March, 2021			31st March, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	138.68	27.54	-	132.15	25.92	-
Security deposits	-	-	515.31	-	-	615.91
Balance with banks held as margin money deposits with original maturity of more than 12 months	-	-	27.89	-	-	26.40
Advances recoverable from a related party	-	-	35.61	-	-	36.04
Trade receivables	-	-	13,173.41	-	-	12,222.25
Cash and cash equivalents	-	-	25,700.21	-	-	24,105.63
Other bank balances	-	-	23,335.18	-	-	4,277.17
Loan	-	-	4,229.86	-	-	4,317.07
	<b>138.68</b>	<b>27.54</b>	<b>67,017.47</b>	<b>132.15</b>	<b>25.92</b>	<b>45,600.47</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,531.19	-	-	1,336.02
Security deposit	-	-	12,927.38	-	-	10,801.59
Trade payables	-	-	9,848.17	-	-	9,578.39
Interest accrued but not due on borrowings	-	-	0.54	-	-	1.14
Retention money	-	-	468.79	-	-	257.32
Creditors for capital goods	-	-	602.63	-	-	992.27
Lease Liabilities	-	-	287.16	-	-	301.44
Unclaimed dividend	-	-	14.40	-	-	9.62
Salary and bonus to employees	-	-	586.54	-	-	314.70
Creditors for services and expenses	-	-	3,423.80	-	-	3,161.38
Discounts and incentives to dealers	-	-	4,224.09	-	-	3,279.95
Creditors for employees expenses	-	-	33.57	-	-	32.64
Other liabilities	-	-	5,069.77	-	-	5,052.63
	-	-	<b>39,018.03</b>	-	-	<b>35,119.09</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 42. FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the financial instruments is determined using discounted cash flow analysis.

#### (iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

Particulars	31st March, 2021			31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Investment in equity instruments	0.38	-	165.84	0.11	-	157.96
<b>Total financial assets</b>	<b>0.38</b>	<b>-</b>	<b>165.84</b>	<b>0.11</b>	<b>-</b>	<b>157.96</b>

#### (iv) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	31st March, 2021		31st March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits and margin money	850.73	850.73	914.85	914.85
<b>Total financial assets</b>	<b>850.73</b>	<b>850.73</b>	<b>914.85</b>	<b>914.85</b>
<b>Financial liabilities</b>				
Borrowings	74.18	436.23	298.60	318.03
Security deposits	12,923.22	12,923.22	10,791.44	10,791.44
Lease Liabilities	287.16	287.16	301.44	301.44
<b>Total financial liabilities</b>	<b>13,284.56</b>	<b>13,646.61</b>	<b>11,391.48</b>	<b>11,410.91</b>

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

#### (v) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**43. FINANCIAL RISK MANAGEMENT**

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<i>Credit risk</i>	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis	Diversification of customer base
<i>Liquidity risk</i>	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
<i>Market risk – foreign exchange</i>	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (₹).	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
<i>Market risk – interest rate</i>	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions
<i>Market risk – price risk</i>	Investments in equity securities	Sensitivity analysis	Continuous monitoring the performance of investments

**(A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**i) Trade receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Group receives security deposit from its customers which mitigates the credit risk. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

<b>Particulars</b>	<b>(₹ in Lakhs)</b>					
	<b>Not past due</b>	<b>Less than 6 Months</b>	<b>More than 6 Months and upto 1 years</b>	<b>More than 1 years</b>	<b>Allowances for doubtful trade receivables</b>	<b>Net carrying amount of trade receivables</b>
As on 31st March, 2021	11,114.50	1,128.80	340.03	722.20	(132.12)	13,173.41
As on 31st March, 2020	6,039.59	4,460.07	279.94	1,592.06	(149.41)	12,222.25

**ii) Financial instruments and deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Group's policy. Counterparty credit limits are reviewed by the Companies' Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Loans are given to body corporate as per the Group policy and the receipt of repayment are reviewed on regular basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as at 31st March, 2021 and 31st March, 2020 is the carrying amounts as illustrated in Note 42.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 43. FINANCIAL RISK MANAGEMENT (Contd.)

#### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Group maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

#### (i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	17,242.98	19,662.57
	<b>17,242.98</b>	<b>19,662.57</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

#### Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)					
Contractual maturities of financial liabilities - 31st March, 2021*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	1,512.46	18.74	-	-	1,531.20
Interest on borrowing	106.56	0.35	-	-	106.91
Trade payables	9,848.17	-	-	-	9,848.17
Lease Liabilities	183.12	77.94	55.42	-	316.48
Other payables	14,413.35	-	-	-	14,413.35
<b>Total financial liabilities</b>	<b>26,063.66</b>	<b>97.03</b>	<b>55.42</b>	<b>-</b>	<b>26,216.11</b>

Contractual maturities of financial liabilities - 31st March, 2020*	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	1,261.85	74.18	-	-	1,336.03
Interest on borrowing	100.62	4.73	-	-	105.35
Trade payables	9,578.39	-	-	-	9,578.39
Lease Liabilities	152.70	100.21	88.73	-	341.64
Other payables	13,101.05	-	-	-	13,101.06
<b>Total financial liabilities</b>	<b>24,194.61</b>	<b>179.12</b>	<b>88.73</b>	<b>-</b>	<b>24,462.47</b>

\*Security deposit received from customer has not been included in the above maturity profile as the repayment of the same cannot be reasonably estimated.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**43. FINANCIAL RISK MANAGEMENT (Contd.)**
**(C) Market risk**
**(i) Foreign currency risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group deals with an international customer and is therefore exposed to foreign exchange risk (primarily with respect to USD) arising from this foreign currency transactions. In view of low proportion of export/import, as compared to the overall operations, the exposure of the Group to foreign exchange risk is also not considered to be material.

Further foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

**Foreign currency risk exposure**

The Group's exposure to foreign currency (USD) risk at the end of the reporting period expressed in INR are as follows:-

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Financial assets	-	597.41
<b>Net exposure to foreign currency risk</b>	<b>-</b>	<b>597.41</b>

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	31st March, 2021	31st March, 2020
<b>Sensitivity</b>		
₹ appreciates by 10% (2020: 10%)	-	(59.74)
₹ depreciates by 10% (2020: 10%)	-	59.74

\* Holding all other variables constant

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2021 and 31st March, 2020, the Company's borrowings at variable rate were denominated in INR and USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(a) Interest rate risk exposure**
**On Financial Liabilities:**

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Variable rate borrowings	1,457.02	1,037.43
Fixed rate borrowings	74.18	298.60
<b>Total borrowings</b>	<b>1,531.20</b>	<b>1,336.03</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 43. FINANCIAL RISK MANAGEMENT (Contd.)

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31st March, 2021	31st March, 2020
Interest expense rates – increase by 50 basis points (2020: 50 bps)*	(7.29)	(5.19)
Interest expense rates – decrease by 50 basis points (2020: 50 bps)*	7.29	5.19

\* Holding all other variables constant

#### (iii) Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group's exposure to equity securities price risk arises from investments held by the Company in equity securities and classified in the Balance Sheet as at fair value through profit or loss and other comprehensive income. The Group has investment in quoted and unquoted equity securities. Investment is done in accordance with the limits set by the Group. The Company's Board of Directors reviews and approves all investment decisions.

#### Sensitivity

The table below summarises the impact of increases/decreases of the share prices on the Company's equity.

Particulars	Impact on total comprehensive income	
	31st March, 2021	31st March, 2020
Increase by 5% (2020: 5%)*	8.31	7.90
Decrease by 5% (2020: 5%)*	(8.31)	(7.90)

\* Holding all other variables constant

### 44. CONTINGENT LIABILITY & COMMITMENTS

#### a) Contingent Liability

Sl. No	Particulars	Impact on total comprehensive income	
		31st March, 2021	31st March, 2020
1	Claims against the company not acknowledge as debts – Excise/ VAT/royalty etc.	32,087.63	29,980.95
2	Duty saved under EPCG scheme	311.80	452.14

#### b) Commitments

Sl. No	Particulars	Impact on total comprehensive income	
		31st March, 2021	31st March, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,231.17	363.00
2	Bank Gurantees issued by bank	1,377.10	1,406.68
3	Letters of credit issued by bank	829.87	517.40

**Note:** Based on legal opinion / decisions in similar cases, the Management believes that the Group has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

- (a) On the basis of the direction of the High Court of Meghalaya dated 30-08-2018 following the decision of the Supreme Court dated 10-11-2017 passed in SRD Nutrients Pvt. Ltd. Vs. Commissioner of Central Excise, Guwahati, Company along with its subsidiary has received a refund of Education Cess and Secondary & Higher Education Cess amounting to ₹ 810.22 Lakhs in previous years. However, the Apex court vide its order dated 06-12-2019 have taken a contrary view in the matter of M/S Unicorn Industries Vs Union of India and Others. Based on the later judgement a demand letter was raised by the department to refund back the amount granted. As the order dated 30-08-2018, has attained its finality and the refund was

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

granted accordingly, the Group has preferred a writ petition before the Meghalaya High Court against the above demand letter. Meghalaya High Court has stayed the said demand vide its order dated 16-06-2020. Based on the legal advice obtained by the Group from External Counsel as well as its own assessment there is every likelihood that the said demand will be quashed and therefore no provision have been taken in the books of account.

- (b) In respect of demand notice dated 19th February, 2020 received by the Company and its two subsidiary companies from Director of Mineral resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹ 25,681.91 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17-01-2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the Recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya.

The Group has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Group has neither been issued a show-cause nor any opportunity of being heard was given to the Group before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Group before passing the impugned order dated 17-01-2020 which is clear violation of principles of natural justice.

The Group backed by the legal opinions, believes that it has a good case in the matter as the said order was issued based on certain hypothetical assumptions and views and not on hard facts. No opportunity of being heard was provided to the Group either by NGT committee or by NGT itself which passed order without going into the merits & facts and accepted the recommendations of 5th Interim Report. Therefore, there is every likelihood of the Demand Notice and the order of the NGT being set aside. The Group has preferred an appeal before the Supreme Court of India against the NGT Order, and accordingly, no provisions has been made in the accounts.

**45. EXCEPTIONAL ITEMS/EXTRAORDINARY ITEMS**

(a) Supreme Court vide its' order dated 17-11-2020 has rejected the Review petitions filed by some of the Petitioners against its' Judgment dated 22-04-2020 in the matter of Union of India –vs- M/s V.V.F Limited & Others. As the said order reached its' finality, the Group has Refunded 50% of differential Excise duty amounting to ₹ 3,225.96 Lakhs which was received by the Group in previous years, and for which the demand letter was issued by the Department. The Group has also provided for the balance 50% of such refund amounting to ₹ 3,231.46 Lakhs which was shown as receivable and recognised in income in previous years. Refund/Reversal on account of both amounting to ₹ 6,457.42 Lakhs is shown as Exceptional items in the Statement of Profit and Loss Account for the current financial year.

**46. BORROWING COST OF FOREIGN LOAN**

The Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited have exercised the option under in paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company and its subsidiaries Star Cement Meghalaya Limited and Meghalaya Power Limited has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the period ended on 31st March, 2021 of the Company and its subsidiaries is ₹ 308.09 Lakhs, (31st March, 2020 : ₹ 375.01 Lakhs).

**47. CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects. A CSR Committee has been formed by Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the group during the year is ₹ 699.00 Lakhs (2019-2020: ₹ 628.27 Lakhs)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

### 47. CORPORATE SOCIAL RESPONSIBILITY (Contd.)

Amount spent during the year on:

		(₹ in Lakhs)	
Sl. No	Particulars	31st March, 2021	31st March, 2020
1	Education	257.64	266.00
2	Preventive healthcare and Sanitation	233.96	82.56
3	Rural Development Programs	132.04	133.01
4	Flood Relief/Diasaster Relief	5.09	56.33
5	Environment & Biodiversity	-	14.95
6	Protection of sites of Historical importance	100.00	-
7	Sports Upliftment	-	22.61
8	Livelihood & skill Building	99.12	80.24
		<b>827.85</b>	<b>655.70</b>

### 48. LEASE

#### Movement of lease liabilities

		(₹ in Lakhs)	
Particulars	31st March, 2021	31st March, 2020	
<b>Opening balance</b>	301.44	-	
Additions (Transitional impact on adoption of Ind AS 116)	-	441.25	
Additions	208.81	-	
Deletions	(14.18)	-	
Add: Interest recognised during the year	32.45	28.03	
Less: Payments made	(241.36)	(167.84)	
<b>Closing balance</b>	<b>287.16</b>	<b>301.44</b>	

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has recognised interest on lease liability of ₹ 30.07 Lakhs under Finance Costs (Previous years ₹ 26.52 Lakhs). Further ₹ 2.27 Lakhs (Previous year ₹ 1.51 Lakhs) capitalised as Pre-operative expenses.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

### 49. RELATED PARTY DISCLOSURES

A	Names of the related parties	Nature of relationship
	<b>I. Enterprises influenced by KMP</b>	
	Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP
	Profound Cement Work Ltd (PCWL) (Formerly known as Star India Cement Limited)	Enterprises influenced by KMP
	Nefa Udyog (NU)	Enterprises influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Enterprises influenced by KMP

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**49. RELATED PARTY DISCLOSURES (Contd.)**

<b>II. Key Management Personnel</b>	
Mr. Sajjan Bhajanka	Chairman & Managing Director
Mr. Rajendra Chamaria	Vice Chairman & Managing Director
Mr. Sanjay Agarwal	Managing Director
Mr. Prem Kumar Bhajanka	Director of the Company and Managing Director in Subsidiary
Mr. Pankaj Kejriwal	Managing Director in Subsidiary
Mr. Ghanshyam Agarwal	Managing Director in Subsidiary
Mr. Sanjay Kumar Gupta	Chief Executive Officer
Mr. Manoj Agarwal	Chief Financial Officer
Mr. Debabrata Thakurta	Company Secretary of the Company and in Subsidiary
Mr. Amit Kumar Singh	CFO in Subsidiary
Mr. Bishal Kumar Agarwal	CFO in Subsidiary
Mr. Vivek Lahoti	CFO in Subsidiary
Mr. Biswajit Singh	Company Secretary in Subsidiary (upto 08.04.2020)
Mr. Chandan Sharma	Company Secretary in Subsidiary ( w.e.f 20.07.2020)
Mr. Mohit Mahana	Company Secretary in Subsidiary
<b>III. Relatives of Key Management Personnel</b>	
Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria. Vice Chairman & Managing Director
Mrs. Yash Bala Bhajanka	Wife of Mr. Prem Kumar Bhajanka, Director

Details of transactions between the Company and related parties and the status of outstanding balance :

(₹ in Lakhs)

<b>B</b>	<b>Types of Transactions</b>	<b>Enterprises influenced by KMP</b>		<b>Key Management Personnel and their relatives</b>	
		<b>2020-21</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2019-20</b>
	<b>1. Purchase Transactions</b>				
	SCFL	-	-	-	-
	CPIL	-	3.93	-	-
	<b>2. Sale Transactions</b>				
	CPIL	14.61	15.93	-	-
	SCFL	-	-	-	-
	<b>3. Services Received</b>				
	NU	5.10	5.57	-	-
	Mrs. Yash Bala Bhajanka	-	11.38	-	-
	CPIL	136.87	116.24	-	-
	<b>4. Purchase of Capital Goods</b>				
	CPIL	-	2,348.02	-	-
	SCFL	-	55.89	-	-
	<b>5. Purchase of Investment</b>				
	SCFL	-	-	4,012.32	-
	<b>6. Remuneration Paid</b>				
	Mr. Sajjan Bhajanka	-	-	198.00	198.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**49. RELATED PARTY DISCLOSURES (Contd.)**

(₹ in Lakhs)

B	Types of Transactions	Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2020-21	2019-20	2020-21	2019-20
	Mr.Rajendra Chamaria	-	-	304.20	304.20
	Mr.Sanjay Agarwal	-	-	198.00	198.00
	Mr. Sanjay Kumar Gupta	-	-	200.64	189.77
	Mr.Rahul Chamaria	-	-	60.00	60.00
	Mr. Sachin Chamaria	-	-	60.00	60.00
	Mr. Manoj Agarwal	-	-	71.83	71.31
	Mr. Debabrata Thakurta	-	-	25.61	26.45
	Mr. Prem Kumar Bhajanka	-	-	198.00	198.00
	Mr. Amit Kumar Singh	-	-	10.00	9.82
	Mr. Bishal Kumar Agarwal	-	-	16.84	16.29
	Mr. Biswajit Singh	-	-	0.10	4.86
	Mr. Chandan Sharma	-	-	4.18	-
	Mr. Pankaj Kejriwal	-	-	48.30	48.30
	Mr. Vivek Lahoti	-	-	39.28	39.25
	Mr. Mohit Mahana	-	-	10.91	10.89
	<b>7. Balance Outstanding</b>				
	<i>(a) Share Capital / Securities Premium</i>				
	SCFL	-	3,373.50	-	-
	<i>(b) Creditors</i>				
	Mrs.Yash Bala Bhajanka	-	-	-	0.97
	NU	0.46	2.64	-	-
	<i>(c) Advance : (Given)</i>				
	PCWL	35.61	35.61	-	-
	<i>(d) Debtors</i>				
	CPIL	3.29	-	-	-
	<i>(e) Guarantees Obtained</i>				
	Mr. Sajjan Bhajanka	-	-	10,750.00	15,950.00
	Mr. Rajendra Chamaria	-	-	9,400.00	12,800.00
	Mr. Sanjay Agarwal	-	-	9,400.00	12,800.00
	Mr. Prem Kumar Bhajanka	-	-	9,400.00	14,600.00
<b>C</b>	<b>Particulars</b>			<b>2020-21</b>	<b>2019-20</b>
	Short-term employee benefits			1,325.89	1,315.14
	Post-employment benefits *			-	-
	Long-term employee benefits*			-	-
	<b>Total compensation</b>			<b>1,325.89</b>	<b>1,315.14</b>

\* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**50. SEGMENT REPORT**

(₹ in Lakhs)

SL. No.	Particulars	2020-21				2019-20			
		Power	Cement	Unallocated	Total	Power	Cement	Unallocated	Total
<b>A</b>	<b>Revenue (Gross)</b>								
	External Sales	1.83	1,71,991.40	-	1,71,993.22	80.52	1,84,234.22	-	1,84,314.74
	Inter Segment Sales	11,961.77	53,377.14	-	65,338.91	12,156.26	54,410.06	-	66,566.32
	Elimination	(11,961.77)	(53,377.14)	-	(65,338.91)	(12,156.26)	(54,410.06)	-	(66,566.32)
	Total Revenue (Gross)	1.83	1,71,991.40	-	<b>71,993.22</b>	80.52	1,84,234.22	-	<b>1,84,314.74</b>
<b>B</b>	<b>Results</b>								
	Segment Result	707.91	23,601.71	-	24,309.62	1,188.90	29,065.34	-	30,254.24
	Unallocated Income/ (Expenses) (Net)	-	-	2,773.05	2,773.05	-	-	2,831.20	2,831.20
	Interest & Finance Charges (Net)	-	-	(698.86)	(698.86)	-	-	(933.73)	(933.73)
	Operating Profit	-	-	-	<b>26,383.81</b>	-	-	-	<b>32,151.71</b>
	Exceptional Items/ Extraordinary Items	-	-	-	6,457.42	-	-	-	-
	Tax Expenses	-	-	-	1,213.40	-	-	-	3,421.37
	Net Profit (before non controlling interest)	-	-	-	<b>18,712.99</b>	-	-	-	<b>28,730.34</b>
	<b>Other Information</b>								
<b>C</b>	<b>Total Assets</b>								
	Segment Assets	18,858.03	2,05,550.43	-	2,24,408.46	22,418.02	1,83,767.92	-	2,06,185.94
	Unallocated Corporate/Other Assets	-	-	31,807.56	31,807.56	-	-	29,629.53	29,629.53
<b>D</b>	<b>Total Liabilities</b>								
	Segment Liabilities	938.52	47,514.80	-	48,453.32	1,845.62	41,133.12	-	42,978.74
	Unallocated Corporate/Other Liabilities	-	-	346.57	346.57	-	-	118.92	118.92
<b>E</b>	Capital Expenditure	14.49	10,549.93	-	10,564.42	5.53	22,975.22	-	22,980.75
<b>F</b>	Depreciation	1,311.22	7,688.19	-	8,999.41	1,440.13	7,855.05	-	9,295.18

**Note: Segment information**

(a) Business Segments: The business segments have been identified on the basis of the products of the Group. Operating segment of the Company is consistent with reporting made to Chief Operating Decision Maker (CODM) i.e. Board of Directors. Accordingly, the Group has identified following business segments.

Cement      Cement and Cement Clinker  
 Power      Power

(b) Geographical Segments : The entire revenue of the Group has been generated by way of domestic & export sales.

(₹ in Lakhs)

SI No.	Geographical Location	2020-21	2019-20
(i)	India	1,69,881.14	1,81,977.91
(ii)	Nepal	2,109.33	2,332.21
(iii)	Bhutan	2.75	4.62
	<b>Total</b>	<b>1,71,993.22</b>	<b>1,84,314.74</b>

(c) There are no revenue from transactions with a single external customer amounting to 10% of an Group's revenue during the current and previous year.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

**51. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013**

SL. No.	Name of the Company	Net Assets (total assets minus total liabilities)		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
		2020-21		2020-21		2020-21		2020-21	
		As % of consolidated net assets	(₹ in Lakhs)	As % of consolidated profit or loss	(₹ in Lakhs)	As % of consolidated OCI	(₹ in Lakhs)	As % of consolidated TCI	(₹ in Lakhs)
	<b>Parent</b>								
	Star Cement Limited	61.43%	1,27,411.84	84.04%	15,727.21	37.52%	5.42	84.01%	15,732.65
	<b>Indian Subsidiaries</b>								
1	Megha Technical & Engineers Private Limited	10.55%	21,881.85	(5.16)%	(964.85)	42.93%	6.20	(5.12)%	(958.65)
2	Star Cement Meghalaya Limited	24.61%	51,054.13	20.28%	3,795.31	7.80%	1.13	20.27%	3,796.44
3	Meghalaya Power Limited	3.40%	7,048.60	0.83%	156.16	0.54%	0.08	0.83%	156.24
4	NE Hills Hydro Limited	0.01%	23.24	0.00%	(0.19)	11.21%	1.62	0.01%	1.41
	<b>Foreign Subsidiary</b>								
1	Star Century Global Cement Private Limited	0.00%	(3.53)	0.00%	(0.65)	-	-	0.00%	(0.65)
	<b>Non-Controlling Interest</b>	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>100%</b>	<b>2,07,416.13</b>	<b>100%</b>	<b>18,712.99</b>	<b>100%</b>	<b>14.45</b>	<b>100%</b>	<b>18,727.44</b>

**52. INTEREST IN OTHER ENTITIES**

**(a) Subsidiaries**

The Group's subsidiaries as at 31st March, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31st March, 2021 %	31st March, 2020 %	31st March, 2021 %	31st March, 2020 %	
Megha Technical & Engineers Private Limited	India	100%	100%	0%	0%	Manufacture of cement
Star Cement Meghalaya Limited	India	100%	100%	0%	0%	Manufacture of clinker
Meghalaya Power Limited	India	100%	51%	0%	49%	Generation of power
NE Hills Hydro Limited	India	100%	100%	0%	0%	Generation of power
Star Century Global Cement Private Limited	Myanmar	100%	100%	0%	0%	Export of Clinker

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**
**52. INTEREST IN OTHER ENTITIES (Contd.)**
**(b) Non-controlling interests (NCI)**

Set out below is summarised financial information for the subsidiary that has non-controlling interests that is material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Lakhs)

Summarised balance sheet	31st March, 2021	31st March, 2020
Current assets	-	5,138.91
Current liabilities	-	1,753.92
<b>Net current assets</b>	<b>-</b>	<b>3,384.99</b>
Non-current assets	-	18,222.08
Non-current liabilities	-	1,753.92
<b>Net non-current assets</b>	<b>-</b>	<b>16,468.16</b>
<b>Net assets</b>	<b>-</b>	<b>19,853.15</b>
<b>Accumulated NCI</b>	<b>-</b>	<b>7,005.14</b>

(₹ in Lakhs)

Summarised statement of profit and loss	31st March, 2021	31st March, 2020
Revenue	-	12,232.80
Profit for the year	-	359.37
Other comprehensive income	-	(1.18)
Total comprehensive income	-	358.19
Profit allocated to NCI	-	175.36

(₹ in Lakhs)

Summarised statement of profit and loss	31st March, 2021	31st March, 2020
Cash flows from operating activities	-	3,382.31
Cash flows from/(used in) investing activities	-	(23.96)
Cash flows (used in) financing activities	-	(3,454.45)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>(96.10)</b>

**53.** The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial Statements. The Company believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at 31st March, 2021. Looking to the present situation of pandemic, the extent to which the same will impact Company's future financial results is currently uncertain and will depend on further developments.

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

**55.** The financial statements are approved by the audit committee at its meeting held on 9th June, 2021 and by the Board of Directors on the same date.

**56.** Notes to the Consolidated Financial Statements comprised of information relevant for the Group.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For D. K Chhajer & Co.**  
 Chartered Accountants  
 Firm Registration No.: 304138E

**Manoj K Roongta**  
 Partner  
 Membership No. 057761

Place : Kolkata  
 Date: 9th June, 2021

**Sanjay Kumar Gupta**  
 Chief Executive Officer

**Manoj Agarwal**  
 Chief Financial Officer

**Debabrata Thakurta**  
 Company Secretary

**For and on behalf of the Board of Directors**

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

**Rajendra Chamaria**  
 Vice-Chairman & Managing Director  
 DIN:00246171

# STAR CEMENT LIMITED

CIN: L26942ML2001PLC006663

Regd. Office: Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

Corporate Office: 'Century House', 2nd floor, P 15/1, Taratala Road, Kolkata-700 088

Tel: 03655 – 278215/16/18, Fax: 03655-278217, Email: [investors@starcement.co.in](mailto:investors@starcement.co.in)

Website: [www.starcement.co.in](http://www.starcement.co.in)

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **Star Cement Limited** will be held on Thursday, 30th September, 2021 at 11.30 A.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2021 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Agarwal (DIN: 00246132), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **Appointment of Mr. Prem Kumar Bhajanka as Managing Director**

To consider and if, thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the consent of the members be and is hereby accorded for the appointment of Mr. Prem Kumar Bhajanka (DIN: 00591512) as the Managing Director of the Company with effect from 13th August, 2021 upto 31st March, 2024 on the terms and conditions including remuneration as set out in the explanatory statement and draft agreement to be entered into by the Company and Mr. Prem Kumar Bhajanka and as available to the inspection of the members;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination

and Remuneration Committee of the Board) be and is hereby authorized to alter, vary and amend the terms and conditions of appointment and/or remuneration of Mr. Prem Kumar Bhajanka in such manner as may be agreed to between the Board and Mr. Prem Kumar Bhajanka, within the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time;

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of Listing Regulations, consent of the members be and is hereby accorded for continuation of payment of remuneration to Mr. Prem Kumar Bhajanka, Managing Director being a promoter of the Company notwithstanding it is in excess of annual remuneration specified in Regulation 17(6)(e)(i) and 17(6)(e)(ii) of Listing Regulations calculated as per Section 198 of the Companies Act, 2013 during his tenure;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits, Managing Director of the Company be paid remuneration within the overall applicable limit as set out in the provisions of Schedule V to the Companies Act, 2013;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regards."

4. **Re-appointment of Mr. Sajjan Bhajanka as Managing Director of the Company**

To consider and if, thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory

modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Sajjan Bhajanka (DIN: 00246043) as Managing Director of the Company for a period of three years with effect from 1st April, 2021 notwithstanding his attaining 70 years of age during the currency of his tenure, on the terms and conditions including remuneration as set out in the explanatory statement and draft agreement to be entered into by the Company and Mr. Sajjan Bhajanka and as available to the inspection of the members;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorized to alter, vary and amend the terms and conditions of re-appointment and/ or remuneration of Mr. Sajjan Bhajanka in such manner as may be agreed to between the Board and Mr. Sajjan Bhajanka, within the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time;

**RESOLVED FURTHER THAT** in compliance of Regulation 17(1B) of the Listing Regulations and upon it becoming effective, Mr. Sajjan Bhajanka, who is currently holding the position of Chairman and Managing Director, shall thereafter not occupy both the positions of Chairman as well as Managing Director in the Company and at his discretion, choose to continue either as the Chairman or as the Managing Director of the Company on the same terms and conditions as set out in the Explanatory Statement annexed to this Notice;

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of Listing Regulations, consent of the members be and is hereby accorded for continuation of payment of remuneration to Mr. Sajjan Bhajanka, Chairman & Managing Director being a promoter of the Company notwithstanding it is in excess of annual remuneration specified in Regulation 17(6)(e)(i) and 17(6)(e)(ii) of Listing Regulations calculated as per Section 198 of the Companies Act, 2013 during his tenure;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits, Managing Director of the Company be paid remuneration within the overall applicable limit as set out in the provisions of Schedule V to the Companies Act, 2013;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regards."

5. **Re-appointment of Mr. Sanjay Agarwal as Managing Director of the Company**

To consider and if, thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Sanjay Agarwal (DIN: 00246132) as Managing Director of the Company for a period of three years with effect from 1st April, 2021 on the terms and conditions including remuneration as set out in the explanatory statement and draft agreement to be entered into by the Company and Mr. Sanjay Agarwal and as available to the inspection of the members;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorized to alter, vary and amend the terms and conditions of re-appointment and/ or remuneration of Mr. Sanjay Agarwal in such manner as may be agreed to between the Board and Mr. Sanjay Agarwal, within the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time;

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of Listing Regulations, consent of the members be and is hereby accorded for continuation of payment of remuneration to Mr. Sanjay Agarwal, Managing Director being a promoter of the Company notwithstanding it is in excess of annual remuneration specified in Regulation 17(6)(e)(i) and 17(6)(e)(ii) of Listing Regulations calculated as per Section 198 of the Companies Act, 2013 during his tenure;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits, Managing Director of the Company be paid remuneration within the overall applicable limit as set out in the provisions of Schedule V to the Companies Act, 2013;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regards."

6. **Re-appointment of Mr. Rajendra Chamaria as Managing Director of the Company**

To consider and if, thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Rajendra Chamaria (DIN: 00246171) as Managing Director of the Company for a period of three years with effect from 1st April, 2021 on the terms and conditions including remuneration as set out in the explanatory statement and draft agreement to be entered into by the Company and Mr. Rajendra Chamaria and as available to the inspection of the members;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorized to alter, vary and amend the terms and conditions of re-appointment and/ or remuneration of Mr. Rajendra Chamaria in such manner as may be agreed to between the Board and Mr. Rajendra Chamaria, within the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time;

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of Listing Regulations, consent of the members be and is hereby accorded for continuation of payment of remuneration to Mr. Rajendra Chamaria, Managing Director being a promoter of the Company notwithstanding it is in excess of annual remuneration specified in Regulation 17(6)(e)(i) and 17(6)(e)(ii) of Listing Regulations calculated as per Section 198 of the Companies Act, 2013 during his tenure;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits, Managing Director of the Company be paid remuneration within the overall applicable limit as set out in the provisions of Schedule V to the Companies Act, 2013;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regards."

7. **Ratification of Remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to ratify and confirm the remuneration of ₹1,00,000 (Rupees One Lakh only) plus applicable taxes and re-imbursalment of out of pocket expenses incurred, if any to be paid to M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064), appointed by the Board of Directors on the recommendation of the Audit Committee as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2022;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Company Secretary of the Company, be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **Approval for Material Related Party Transactions**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the



Members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹ 2000 crores in a Financial Year entered or to be entered into by the Company with Star Cement Meghalaya Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2021-22;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

9. **Approval for Material Related Party Transactions**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹ 300 crores in a Financial Year entered or to be entered into by the Company with Meghalaya Power Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the

Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2021-22;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

10. **Approval for Material Related Party Transactions**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹ 100 crores in a Financial Year entered or to be entered into by the Company with Megha Technical and Engineers Private Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2021-22;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/

transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

11. **Approval for Material Related Party Transactions**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹ 50 crores in a Financial Year entered or to be entered into by the Company with Shyam Century Ferrous Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2021-22;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

12. **Place for keeping register of Members and copies of annual return etc., other than Registered Office of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 94 sub-section (1) and other applicable provisions, if any,

of the Companies Act, 2013 and the rules and regulations framed thereunder, including any amendment thereof, the consent of the Members be and is hereby accorded to keep the Register and Index of Members of the Company as required to be maintained under Section 88 of the Companies Act, 2013 and copies of Annual Returns together with copies of all certificates and documents required to be annexed or attached thereto, as filed under section 92 of the Companies Act, 2013 and other statutory registers required to be maintained, at its Corporate Office at "Century House, 2nd floor, P-15/1, Taratala Road, Kolkata-700 088" or any other place within the 'Kolkata' city, instead of and / or in addition to the said registers or copies of annual returns being kept and maintained at the Registered Office of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be required for giving effect to the aforesaid resolution."

13. **Giving Loans/ Guarantees or providing securities for and on behalf of Companies and / or making investments in Companies**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any person or body corporate including subsidiary (ies) whether existing or to be formed and / or give any guarantee or provide security in connection with a loan to any person or any other body corporate, any subsidiary company(ies), whether existing or to be formed and/ or acquire by way of subscription, purchase or otherwise, the securities of any other body corporates upto an aggregate amount not exceeding ₹ 2000 crore (Rupees Two Thousand crore) over and above the limits specified in 186(2) of the Companies Act, 2013 notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and his hereby authorized to negotiate and decide from time to time, terms and conditions, execute necessary documents, papers, agreements, etc., for investments to be made, loans/guarantees to be given and securities to be provided to any person and/or any other body corporate, to do all such acts, deeds, matters and things, and to give such directions as may be necessary or expedient as the Board in its absolute discretion, may deem fit and its decision shall be final and binding and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Director or Officer of the Company or any other person."

14. **Enhancement of Borrowing Power**

To consider and if, thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 and any other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time as they may think fit for the purpose of the business any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that aggregate of the moneys borrowed or to be borrowed by the Board of Directors of the Company shall not at any time exceed ₹ 2000 Crores (Rupees Two Thousand Crores Only) over and above the aggregate of the paid up share capital of the Company and its free reserves as per the latest audited accounts;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a Committee thereof be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

Registered Office:  
Vill: Lumshnong, P.O.: Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya - 793210

Date: 13th August, 2021  
Place : Kolkata

15. **Creation of charges or mortgages and hypothecations**

To consider and if, thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and any other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force), consent of the members, be is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a committee thereof) to mortgage, hypothecate, create charge or security in such manner, in such form and upon such assets of the Company, both present and future and/or subject to such conditions as the Board/ Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, foreign financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, any other bodies corporate (hereinafter referred to as the "Lenders") and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise to secure borrowing or financial assistance not exceeding ₹ 3000 crores (Rupees Three Thousand Crores Only) by way of Rupee Term Loan/ Foreign Currency Loan/ External Commercial Borrowing/ Equipment Finance/ Deferred Credit Guarantee/ debentures/Working Capital limits (Fund and Non Fund Based limits) such as Overdrafts/ Cash Credit, Letters of Credit, Buyers' Credit, Bank Guarantees or any other form together with interest at the agreed rates, further interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and other monies payable by the company in respect of the said borrowings;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a Committee thereof be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

**NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto. The Board of Directors of the Company at its meeting held on 13th August, 2021 considered that the special businesses as specified in the Notice convening the meeting under Item Nos. 3 to 15 being considered unavoidable, be transacted at the Twentieth Annual General Meeting.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM facility, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with MCA and SEBI Circulars, the 20th AGM of the Company is being held through VC / OAVM on Thursday, 30th September, 2021 at 11.30 A.M. IST. The deemed venue for the Twentieth Annual General Meeting shall be the Registered office of the Company.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map of the AGM venue are not annexed to this Notice.
4. Pursuant to Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or Governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [csmdshah@gmail.com](mailto:csmdshah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. Pursuant to the MCA circulars, Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Details as required in Regulation 36(3) of the SEBI Listing Regulations, Companies Act, 2013 and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the Notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

7. The Board has not recommended any dividend for the year ended 31st March, 2021.
8. The Company has transferred the unpaid/unclaimed dividend for the Financial year 2013-14 on respective due date to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has send reminders to those members having unpaid/ unclaimed dividends and has also simultaneously published notice in the leading newspapers before such transfer to the IEPF. The Company has also uploaded the details unpaid/ unclaimed amounts lying with the Company, on the website of the Company i.e. [www.starcement.co.in](http://www.starcement.co.in) and also on the website of the Ministry of Corporate Affairs. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
9. Members are requested to note that dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of which dividends have not been encashed consecutively for a period of 7 years, are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
10. Pursuant to Section 124 of the Companies Act, 2013, the unpaid dividends that are due to transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
2015-16 (Interim)*	09.06.2015	18.07.2022
2017-18 (Final)	31.07.2018	06.09.2025
2019-20 (Interim)	06.02.2020	14.03.2027

\* Dividends were declared by erstwhile Star Ferro and Cement Limited, which was merged with the Company vide order of the Honorable National Company Law Tribunal (NCLT), Guwahati Bench dated 07.02.2017.

Members who have not encashed their dividend warrants/drafts pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 30 days before they are due for transfer to the said fund.

11. Pursuant to Regulation 12 of SEBI (LODR) payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars. Please submit bank details along with an original cancelled cheque or Xerox copy of the cheque



to our Registrars in case you hold shares in physical form and to your Depository Participants in case shares held in demat. This will facilitate to make payment of dividend as per aforesaid Regulation as and when declared. Members holding shares in the physical form are requested to notify changes in address, email id, bank mandate and bank particulars, if any, under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers. Members holding shares in electronic form may update such information with their respective Depository Participants.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers in case the shares are held by them in physical form.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.
14. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in prescribed Form SH-13 with the RTA. Nomination form can be downloaded from the Company's website: [www.starcement.co.in](http://www.starcement.co.in) under the section 'Investors'. In respect of shares held in Electronic/Demat form, Members may please contact their respective Depository Participants.
15. In terms of SEBI Listing Regulations, as amended, securities of listed companies can only be transferred (except in case of transmission or transposition and re-lodged transfer of securities) in dematerialized form with effect from 01st April, 2019. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cutoff date for re-lodgement of transfer deeds and the share that are re-lodged for transfer shall be issued only in demat mode. In view of the above,

Members are advised to dematerialize shares held by them in physical form. With regard to the same, the Company's Registrar and Share Transfer Agent has already sent three reminder letters to the shareholders, for updating their PAN and Bank Account details and for dematerializing their physical holdings of securities. A guidance note on procedure for dematerialization of shares held in physical form is also placed on the website of the Company under 'Investors' section. Three reminder letters were also sent to the shareholders to claim their unclaimed shares, if any.

16. Members seeking any information with regard to the financial statements or any other matter to be placed at the 20th AGM, can send the same at Company's email address at [investors@starcement.co.in](mailto:investors@starcement.co.in) from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number on or before 20th September, 2021 by 05:00 p.m. The same will be replied by the Company suitably.
17. Electronic copies of the documents referred to in the Notice of the 20th AGM of the Company and the Explanatory Statement shall be available for inspection in the "Investors" section of the website of the Company at [www.starcement.co.in](http://www.starcement.co.in).
18. Members may note that in terms of Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, no further ratification of appointment of Auditors would be required by the Members at the every interim Annual General Meeting. Hence, said item has not been included in the notice convening the Annual General Meeting.
19. In compliance with the MCA Circular and SEBI Circular issued from time to time the Notice of the AGM along with the Annual Report for 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM and the Annual Report will also be available on the Company's website at [www.starcement.co.in](http://www.starcement.co.in) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange India Limited for their download. The Notice will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - For Members whose Email ID's are not registered :-
    - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investors@starcement.co.in](mailto:investors@starcement.co.in) or to M/s. Maheshwari Datamatics Pvt. Ltd. at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
    - b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

20. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates and self-attested copies of the PAN for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or its RTA for assistance in this regard.
21. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 29th September, 2021 to Thursday, 30th September, 2021 (both days inclusive)**.
22. During the 20th AGM, Members may access the scanned copies of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the Memorandum and Articles of Association of the Company, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
23. In compliance with the provision of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended read with relevant MCA and SEBI circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting and e-voting during the AGM to all the Members to enable them to cast their vote electronically in respect of business to be transacted at the Meeting, for which the Company has engaged the services of National Securities Depository Limited (NSDL). The Members holding shares either in physical form or in dematerialized form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
24. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Thursday, 23rd September, 2021** are entitled to vote on the Resolutions set forth in this Notice and a person who is not a Member as on cut-off date should treat this notice for information purpose only. The Members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
25. The Companies (Management and Administration) Rules, 2014, as amended provides that the electronic voting period shall remain open for atleast three days and shall close at 5.00 p.m. on the date preceding the date of the AGM. Accordingly, the remote e- voting period shall commence at **9.00 a.m. on Sunday, 26th September, 2021 and will end at 5.00 p.m. on Wednesday, 29th September, 2021**. The Company has appointed Md. Shahnawaz, Practicing Company Secretary (Membership no. ACS 21427 and Certificate of Practice no. 15076), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting.
26. The Scrutinizer shall after the conclusion of Annual General Meeting, first download/ the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall submit the consolidated scrutinizer's report, within 2 (two) working days of conclusion of General Meeting to the Chairman or any other person authorized by the Board. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e., [www.starcement.co.in](http://www.starcement.co.in) and also be displayed on the Notice board of the Company at its registered office and on the website of NSDL i.e. [www.nsdl.co.in](http://www.nsdl.co.in) immediately after the results are declared. The results shall simultaneously be communicated to the Stock Exchanges.
27. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Thursday, 30th September 2021.
28. **PROCEDURE FOR REMOTE E-VOTING**
- The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for remote e-voting are as under:
- Step 1: Access to NSDL e-Voting system**
- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**
- Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants (DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and email ID in their demat accounts with their respective DPs in order to access the e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>NSDL IDeAS facility</b></p> <p><b>a) If you are already registered, follow the below steps:</b></p> <ul style="list-style-type: none"> <li>• Visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>• On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services.</li> <li>• Click on <b>"Access to e-Voting"</b> appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>• Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.</li> </ul> <p><b>b) If you are not registered, follow the below steps:</b></p> <ul style="list-style-type: none"> <li>• Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>• Select <b>"Register Online for IDeAS Portal"</b> appearing on the left hand side of the home page of e-services or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• After successful registration, please follow below mentioned steps:                             <ol style="list-style-type: none"> <li>a. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>b. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>c. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>d. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.                                     <ul style="list-style-type: none"> <li>• Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility for seamless voting experience.</li> </ul> </li> </ol> </li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit the website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on "New System Myeasi" option available under "Login" section.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider (ESP) i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from the E-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. Once logged in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to **Step 2 i.e. Cast your vote electronically.**
5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Your password details are given below:
  - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
7. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered with the Company/ Depository, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
8. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
9. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  10. Now, you will have to click on "Login" button.
  11. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
29. **General Guidelines for shareholders**
    1. Corporate and Institutional shareholders (i.e. other

than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmdshah@gmail.com](mailto:csmdshah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after the notice is send through e-mail and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote. If password is forgotten, the same can be reset by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system".
  3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
  4. In case of any queries relating to e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on Toll Free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for e-voting, please contact to Mr. Amit Vishal, Senior Manager-NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) and /or Ms. Pallavi Mhatre, Manager-NSDL at [evoting@nsdl.co.in/pallavid@nsdl.co.in](mailto:evoting@nsdl.co.in/pallavid@nsdl.co.in).
30. **Process for those shareholders whose email ids are not registered with the depositories for procuring**

**user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, Number of equity shares held, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of any document (such as AADHAAR card/ latest Electricity Bill / latest Telephone/Mobile Bill / Driving License / Passport / Voter ID Card /Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding, by email to the Company at [investors@starcement.co.in](mailto:investors@starcement.co.in).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card to [investors@starcement.co.in](mailto:investors@starcement.co.in) or register/update the same through respective Depository Participants (DPs). Any such updation effected by the DPs will automatically reflect subsequently in the Company's records. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
  3. Alternatively members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and password for e-voting by the providing the details mentioned in Point (1) or (2) as the case may be.
31. **INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE AGM THROUGH VC/OAVM ARE AS UNDER:**
1. Member will be able to attend the AGM through VC/OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC/OAVM placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu.
  2. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL will be able to attend the AGM through VC/OAVM by using the facility provided by NSDL at <https://www.evoting.nsdl.com>.
  3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting and shall be kept open throughout the proceedings of the AGM by following the procedure mentioned in the Notice. Members under the category of Institutional Investors are encouraged to attend the AGM and also vote through remote e-Voting or e-Voting during the AGM.
  4. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Members seeking any information with regard to the financial statements or any other matter to be placed at the 20th AGM, can send the same at Company's email address at [investors@starcement.co.in](mailto:investors@starcement.co.in) from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number on or before 20th September, 2021 by 05:00 p.m. (IST). The same will be replied by the Company suitably.
  6. Members, who would like to express their views as a speaker at the Meeting are requested to register themselves by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address at [investors@starcement.co.in](mailto:investors@starcement.co.in) by 25th September, 2021 by 05:00 p.m. (IST). Only those Members who have registered themselves as a speaker shall be allowed to express their views during the 20th AGM. The Company reserves the right to restrict the number of questions and number of speakers depending on the availability of time for smooth conduct of the AGM.

7. When a registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
  8. In case of joint holders attending the Meeting, the Members whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote electronically at the AGM.
  9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
32. **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  3. The Members who have cast their vote by remote e-Voting prior to the 20th AGM may also participate in the 20th AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again. If a member casts vote again, then voting done through remote e-voting shall prevail and vote cast at the Meeting shall be treated as "INVALID".
  4. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 20th AGM shall be as hereunder:  
Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at Toll Free No. 1800 1020 990 and 1800 22 44 30.

Registered Office:  
Vill: Lumshnong,  
Dist.: East Jaintia Hills  
P.O.: Khaliehriat  
Meghalaya - 793210

Date: 13th August, 2021  
Place : Kolkata

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

# EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

## Item No. 3

As per sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the Board of Directors in their meeting held on 13th August, 2021, as per recommendation of the Nomination & Remuneration Committee appointed Mr. Prem Kumar Bhajanka (DIN: 00591512), as the Managing Director of the Company with effect from 13th August, 2021 upto 31st March, 2024 subject to approval of Members.

The remuneration payable to Mr. Prem Kumar Bhajanka is ₹ 16,50,000/- per month.

Pursuant to Regulation 17(6)(e) of Listing Regulations, the fees or remuneration payable to Executive Directors who are promoters or members of promoters group, shall be subject to approval of the shareholders by special resolution in general meeting if annual remuneration payable to such executive director exceeds ₹ 5 crores or 2.5% of net profits, whichever is higher or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5% of the net profits of the Company. Therefore, approval of members is sought for continuation of payment of remuneration in case it exceeds the limits specified therein till the expiry of term of Mr. Prem Kumar Bhajanka.

The draft agreement to be entered with the Managing Director shall be available for inspection to the members on all weekdays during office hours upto the date of the meeting.

Mr. Prem Kumar Bhajanka satisfies all conditions set out in subsection (3) of Section 196 and Part-I of Schedule V of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Your Directors believe that association of him as Managing Director would be immensely beneficial to the Company.

Except Mr. Prem Kumar Bhajanka none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 3.

The Board of Directors recommends the Special Resolution set out at Item No. 3 for your approval as a Special Resolutions.

Statement pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting and Statement pursuant to provisions of Schedule V of the Companies Act, 2013 are annexed with this notice.

## Item No. 4, 5 and 6

As per sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being

in force) Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Charamaria have completed their respective terms on 31st March, 2021.

The Board of Directors in their meeting held on 08th February, 2021, as per recommendation of the Nomination & Remuneration Committee re-appointed Mr. Sajjan Bhajanka (DIN: 00246043), Mr. Sanjay Agarwal (DIN: 00246132) and Mr. Rajendra Charamaria (DIN: 00246171) as the Managing Directors of the Company for a further period of 3 (three) years subject to approval of Members.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a Special Resolution. Part-I of Schedule V to the Act also contains similar relaxation. Mr. Sajjan Bhajanka would be attaining the age of 70 years in his current tenure. As such, it is recommended that his present reappointment itself as the Managing Director, not liable to retire by rotation and for payment of remuneration to him, be approved by the members by way of a Special Resolution. The proposed reappointment of Sri Sajjan Bhajanka is further subject to compliance of Regulation 17(1B) of the Listing Regulations as and when it is become effective, where upon, he shall, at his own discretion, opt to continue either as the Chairman or as Managing Director of the Company.

The remuneration payable to Mr. Rajendra Charamaria is ₹ 25,35,000/- per month and Mr. Sajjan Bhajanka and Mr. Sanjay Agarwal is ₹ 16,50,000/- per month each respectively.

Pursuant to Regulation 17(6)(e) of Listing Regulations, the fees or remuneration payable to Executive Directors who are promoters or members of promoters group, shall be subject to approval of the shareholders by special resolution in general meeting if annual remuneration payable to such executive director exceeds ₹ 5 crores or 2.5% of net profits, whichever is higher or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5% of the net profits of the Company. Therefore, approval of members is sought for continuation of payment of remuneration in case it exceeds the limits specified therein till the expiry of term of Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Charamaria.

Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Charamaria satisfies all conditions set out in subsection (3) of Section 196 and Part-I of Schedule V of the Companies Act, 2013 for being eligible for their reappointment. They are not disqualified from being appointed as Director in terms of Section 164 of the Act. Your Directors believe that continued association of them as Managing Directors would be immensely beneficial to the Company.

The draft agreements to be entered with these Managing Directors shall be available for inspection to the members on all weekdays during office hours upto the date of the meeting.



Except Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Mr. Rajendra Chamaria, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 4, 5 and 6.

The Board of Directors recommends the Special Resolution set out at Item No. 4, 5 and 6 for your approval as a Special Resolutions.

Statement pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting and Statement pursuant to provisions of Schedule V of the Companies Act, 2013 are annexed with this notice.

#### Item No. 7:

The Board of Directors, on the recommendation of Audit Committee, has approved at their meeting held on 9th June, 2021, the appointment of M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as the Cost Auditor of the Company to conduct the Cost Audit of the Company for the Financial Year 2021-22 at a remuneration of ₹ 1,00,000/- (Rupees one lakh only) plus applicable taxes and re-imburement of out of pocket expenses incurred in connection with cost audit, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Shareholders.

#### Item No. 8

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and

on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Star Cement Meghalaya Limited, subsidiary company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Star Cement Meghalaya Limited
<b>Nature of relationship</b>	Subsidiary of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mr. Sanjay Agrawal, Mr. Rajendra Chamaria, Mr. Prem Kumar Bhajanka Mr. Pankaj Kejriwal and Mr. Pramod Kumar Shah may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹ 2000 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mr. Sanjay Agrawal, Mr. Rajendra Chamaria, Mr. Prem Kumar Bhajanka, Mr. Pankaj Kejriwal and Mr. Pramod Kumar Shah none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of the shareholders.

#### Item No. 9

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not

applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Meghalaya Power Limited, wholly owned subsidiary company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Meghalaya Power Limited
<b>Nature of relationship</b>	Wholly Owned Subsidiary of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Pramod Kumar Shah and Mr. Amit Kiran Deb may deemed to be related by virtue of being common Directors and Mr. Debabrata Thakurta may deemed to be related by virtue of being common Key Managerial Personnel.
<b>Estimated Transaction Value</b>	₹ 300 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mr. Prem Kumar Bhajanka, Mr. Pramod Kumar Shah and Mr. Amit Kiran Deb, Directors of the Company and Mr. Debabrata Thakurta, Key Managerial Personnel of the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of the shareholders.

#### Item No. 10

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Megha Technical and Engineers Private Limited, wholly owned subsidiary company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Megha Technical and Engineers Private Limited
<b>Nature of relationship</b>	Wholly Owned Subsidiary of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Pankaj Kejriwal and Mr. Pramod Kumar Shah may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹ 100 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Pankaj Kejriwal and Mr. Pramod Kumar Shah none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval of the shareholders.

#### Item No. 11

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the Members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the Members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Shyam Century Ferrous Limited, Enterprise influenced by Key Managerial Personnel (KMP), may qualify to be a Material Related Party transaction under Listing Regulations, approval of the Members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Shyam Century Ferrous Limited
<b>Nature of relationship</b>	Enterprise influenced by KMP
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mrs. Plistina Dkhar, and Mr. Pramod Kumar Shah may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹ 50 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mrs. Plistina Dkhar, and Mr. Pramod Kumar Shah none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any

way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval of the shareholders.

#### Item No. 12

As required under the provisions of Section 94(1) the Companies Act, 2013, certain documents such as the Register of Members, Index of Members maintained under section 92 of the Companies Act, 2013 and copies of Annual Returns together with copies of all certificates and documents required to be annexed or attached thereto, as filed under section 92 of the Companies Act, 2013 and other statutory registers are required to be kept at the Registered Office of the Company. However, as per Section 94(1) of the Companies Act, 2013, these documents may be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a General Meeting of the Company. Accordingly, the approval of the members is sought in for keeping the aforementioned registers and documents at Corporate Office "Century House, 2nd floor, P-15/1, Taratala Road, Kolkata-700 088" or any other place within the 'Kolkata' city, instead of and / or in addition to the said registers or copies of annual returns being kept and maintained at the Registered Office of the Company.

None of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the Special Resolution set out at Item No. 12 for your approval as a Special Resolution.

#### Item No. 13

Pursuant to Section 186 (2) of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors are authorized to give loan, guarantee or provide security in connection with a loan to any other body corporate or person and/or to acquire by way of subscription, purchase or otherwise, the securities including shares, debentures, etc., of any other body corporate, up to an amount aggregate of which should not exceed 60% of the paid up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the Company, whichever is higher. In case the Company exceeds the above mentioned limits then, prior approval of members by way of a Special Resolution is required to be obtained.

As a measure of achieving greater financial flexibility and to enable optimal financing structure and for expanding

business horizon of the Company, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with loans to any person or body corporate including subsidiary companies for an amount ₹ 2000 crores (Rupees Two Thousand crores only) over and above the limits specified in 186(2) of the Companies Act, 2013. The investment(s), loan(s), guarantee(s) and security(ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder. These investments are proposed to be made out of own/surplus funds/internal accruals and or any other sources, if necessary, to achieve long term strategic and business objectives.

Accordingly, the Board recommends the Resolution at Item No. 13 of the Notice for approval of the members by a Special Resolution

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

#### **Item No.14**

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company by means of special resolution.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or guarantees and/or issue of Bonds, Debentures or other securities. The directors of the Company, therefore, recommended the above special resolution for increasing borrowing limit to ₹ 2000 Crores (Rupees Two Thousand Crores Only) over and above the aggregate of the paid up share capital of the Company and its free reserves as per the latest audited accounts for approval of the shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 14 for your approval as a Special Resolution.

#### **Item No. 15**

The Company is required to create security for the said facilities as mentioned under Item No. 14 above in favour of the Lenders/ Trustees for the Non-Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No. 14 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding ₹ 3000 Crores (Rupees Three Thousand Crores Only).

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 15 for your approval as a Special Resolution.

Registered Office:  
Vill: Lumshnong,  
Dist.: East Jaintia Hills  
P.O.: Khaliehriat  
Meghalaya - 793210

Date: 13th August, 2021  
Place : Kolkata

By Order of the Board  
For **Star Cement Limited**

**Debabrata Thakurta**  
Company Secretary

## ANNEXURE TO ITEM NO. 2, 3, 4, 5 & 6 OF THE NOTICE

Details of Director seeking appointment/ re-appointment/ any change in terms at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting]

<b>Name of the Director</b>	Mr. Prem Kumar Bhajanka	Mr. Sajjan Bhajanka	Mr. Sanjay Agarwal	Mr. Rajendra Chamaria
<b>DIN</b>	00591512	00246043	00246132	00246171
<b>Age (Years)</b>	63	69	60	62
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Qualification</b>	Commerce Graduate	Commerce Graduate	Commerce Graduate	Commerce Graduate
<b>Experience (years)</b>	41	42	34	37
<b>Expertise in special functional Area</b>	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance	Industry, Leadership, Accounts & Finance, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Board procedures and Governance
<b>Date of First Appointment on the Board of the Company</b>	16.11.2002	16.11.2002	16.11.2002	01.04.2012
<b>Terms &amp; condition of appointment/ re-appointment</b>	Managing Director upto to 31st March, 2024, Liable to retire by rotation	Chairman and Managing Director upto to 31st March, 2024, not liable to retire by rotation *	Managing Director upto to 31st March, 2024, Liable to retire by rotation	Vice Chairman and Managing Director; Liable to retire by rotation
<b>Details of remuneration sought to be paid and remuneration last drawn (₹)</b>	<b>Remuneration sought to be paid:</b> ₹ 16,50,000/- per month <b>Remuneration last drawn:</b> NIL	<b>Remuneration sought to be paid and last drawn:</b> ₹ 16,50,000/- per month	<b>Remuneration sought to be paid and last drawn:</b> ₹ 16,50,000/- per month	<b>Remuneration sought to be paid and last drawn:</b> ₹ 25,35,000/- per month
<b>Shareholding in the Company [Equity share of face value ₹ 1/- each ] (as at 31st March, 2021)</b>	3,77,18,954	4,68,31,636	1,70,45,480	1,98,91,358
<b>Relationship between the Directors inter se and other Key Managerial Person</b>	None	None	None	None
<b>No. of Board Meetings attended during the year</b>	4	4	4	4
<b>List of Directorship held in other Companies (excluding Foreign Company)</b>	<ol style="list-style-type: none"> <li>Century Plyboards (India) Ltd.</li> <li>Namchic Tea Estate Pvt. Ltd.</li> <li>Lal Pahar Tea Estate Pvt. Ltd.</li> <li>Auro Sundram Ply and Door Pvt. Ltd.</li> <li>Profound Cement Works Ltd.</li> <li>Meghalaya Power Ltd.</li> <li>Star Cement Meghalaya Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Association of Indian Panelboard Manufacturer</li> <li>Brijdham Merchants Pvt. Ltd.</li> <li>Century MDF Ltd.</li> <li>Century Panels Ltd.</li> <li>Century Plyboards (India) Limited</li> <li>Fine Infraprojects Pvt. Ltd.</li> <li>Makui Properties Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Auroville Investments Pvt. Ltd.</li> <li>Brijdham Merchants Pvt Ltd</li> <li>Century Coats Ltd.</li> <li>Century Infotech Ltd.</li> <li>Century Panels Ltd.</li> <li>Century Plyboards (India) Limited</li> <li>Fine Infraprojects Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Star Cement Meghalaya Limited</li> </ol>



		8. Meghalaya Power Ltd. 9. Pacific Plywoods Pvt. Ltd. 10. Shyam Century Ferrous Ltd. 11. Shyam Century Multi Projects Pvt. Ltd. 12. Sri Ram Merchants Pvt. Ltd. 13. Sri Ram Vanijya Pvt. Ltd. 14. Star Cement Meghalaya Ltd.	8. Indian Chamber of Commerce Calcutta 9. Pacific Plywoods Pvt. Ltd. 10. Ranisati Vihar Pvt. Ltd. 11. Star Cement Meghalaya Ltd. 12. Sumangal Business Pvt. Ltd. 13. Sumangal International Pvt. Ltd.	
<b>Membership / Chairmanships of Committees of Boards of other Companies. (only Audit Committee and Stakeholders' Relationship Committee have been considered)</b>	Nil	<b>Audit Committee Member:</b> 1. Star Cement Meghalaya Ltd. 2. Meghalaya Power Ltd.	Nil	Nil

\* Appointment is further subject to compliance of Regulation 17(1B) of the SEBI Listing Regulations which is to become effective on 1st April, 2022, where upon, he shall, at his own discretion, opt to continue either as the Chairman or as Managing Director of the Company.

**Statement Statement pursuant to provisions of Schedule V of the Companies Act, 2013 with respect to Item No. 3 of the Notice.**

**I. General Information**

Sl. No.	Particulars	Remarks																
1.	Nature of industry	Cement																
2.	Date of certificate of commencement of business	19th September, 2002.																
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																
4.	Financial performance based on given indicators	For the Financial Year (₹ in Lakhs)																
		<table border="1"> <thead> <tr> <th></th> <th>2020-21</th> <th>2019-20</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>1,68,516.16</td> <td>1,80,133.57</td> <td>1,73,488.92</td> </tr> <tr> <td>Net Profit/ (Loss) before Tax</td> <td>17,254.12</td> <td>25,100.00</td> <td>28,036.77</td> </tr> <tr> <td>Dividend %</td> <td>NIL</td> <td>100%</td> <td>NIL</td> </tr> </tbody> </table>		2020-21	2019-20	2018-19	Revenues	1,68,516.16	1,80,133.57	1,73,488.92	Net Profit/ (Loss) before Tax	17,254.12	25,100.00	28,036.77	Dividend %	NIL	100%	NIL
	2020-21	2019-20	2018-19															
Revenues	1,68,516.16	1,80,133.57	1,73,488.92															
Net Profit/ (Loss) before Tax	17,254.12	25,100.00	28,036.77															
Dividend %	NIL	100%	NIL															
5.	Export performance and net foreign exchange collaborations, if any	Nil																
6.	Foreign investments or collaborators if any	Nil																



**II. Information about the Appointee**

Sl. No.	Particulars	Mr. Prem Kumar Bhajanka Managing Director
1.	Background details	Mr. Prem Kumar Bhajanka, Managing Director of the Company is a Commerce Graduate, having more than 41 years of industry experience with excellent site management and project execution skills. He became the Director of the Company in 2002 and appointed as Managing Director in 2021.  He has played a key role in execution of Company's project and its growth. As the Promoter Director of the Company, he is responsible for advising and counselling management on corporate decisions, providing strategic guidance and supervising actively the day to day management and administration of the Company.
2.	Past remuneration	Remuneration paid during Financial Year 2020-21: NIL
3.	Job profile and his suitability as Director	Mr. Prem Kumar Bhajanka is appointed as the Managing Director of the Company. He possesses multiple skill sets to head various departments such as Finance, Marketing and Business Operations.
4.	Remuneration proposed	₹ 16,50,000/- per month
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The salary payable to Mr. Prem Kumar Bhajanka is in line with current industry standards.
6.	Pecuniary relationship with the managerial personnel, if any	Apart from receiving managerial remuneration, Mr. Prem Kumar Bhajanka is not having any pecuniary relationship with the Company.

**III. Other Information**

Sl. No.	Particulars	Remarks
1.	Reasons of loss or inadequate profits	NA
2.	Steps taken during the year for improvement	The Company believes that it is well positioned to capture significant growth opportunities and profitability because of its following principal competitive strengths: 1. Expansion of capacity 2. Strong Human Resource 3. State-of-the-art technology and infrastructure 4. Strong Management Team 5. Aggressive branding
3.	Expected increase in productivity and profits in measurable terms	The Company has taken initiatives to improve the position of the Company as against its competitors and will continue in its endeavor to improve profitability.

**Statement pursuant to provisions of Schedule V of the Companies Act, 2013 with respect to Item No. 4 of the Notice**

**I. General Information**

Sl. No.	Particulars	Remarks
1.	Nature of industry	Cement
2.	Date of certificate of commencement of business	19th September, 2002.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	For the Financial Year (₹ in Lakhs)
		<b>2020-21</b> <b>2019-20</b> <b>2018-19</b>
	Revenues	1,68,516.16      1,80,133.57      1,73,488.92
	Net Profit/ (Loss) before Tax	17,254.12      25,100.00      28,036.77
	Dividend %	NIL      100%      NIL
5.	Export performance and net foreign exchange collaborations, if any	Nil
6.	Foreign investments or collaborators if any	Nil

**II. Information about the Appointee**

Sl. No.	Particulars	Mr. Sajjan Bhajanka Managing Director
1.	Background details	Mr. Sajjan Bhajanka, Chairman and Managing Director of the Company is a Commerce Graduate, having more than 42 years of rich experience in plywood, ferrosilicon and cement industries. He became the Director of the Company in 2002 and re-appointed Managing Director in 2018.  He has played a key role in the diversification and growth of the Company. As the Promoter Director of the Company, he is responsible for advising and counselling management on corporate decisions, providing strategic guidance and supervising actively the day to day management and administration of the Company.
2.	Past remuneration	Remuneration paid during Financial Year 2020-21: ₹ 198 lakhs.
3.	Job profile and his suitability as Director	Mr. Sajjan Bhajanka is the Managing Director of the Company. He possesses multiple skill sets to head various departments such as Finance, Marketing and Business Operations.
4.	Remuneration proposed	₹ 16,50,000/- per month
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The salary paid to Mr. Sajjan Bhajanka is in line with current industry standards.
6.	Pecuniary relationship with the managerial personnel, if any	Apart from receiving managerial remuneration, Mr. Sajjan Bhajanka is not having any pecuniary relationship with the Company.

**III. Other Information**

Sl. No.	Particulars	Remarks
1.	Reasons of loss or inadequate profits	NA
2.	Steps taken during the year for improvement	The Company believes that it is well positioned to capture significant growth opportunities and profitability because of its following principal competitive strengths: 1. Expansion of capacity 2. Strong Human Resource 3. State-of-the-art technology and infrastructure 4. Strong Management Team 5. Aggressive branding
3.	Expected increase in productivity and profits in measurable terms	The Company has taken initiatives to improve the position of the Company as against its competitors and will continue in its endeavor to improve profitability.

**Statement pursuant to provisions of Schedule V of the Companies Act, 2013 with respect to Item No. 5 of the Notice.**
**I. General Information**

Sl. No.	Particulars	Remarks
1.	Nature of industry	Cement
2.	Date of certificate of commencement of business	19th September, 2002.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	For the Financial Year (₹ in Lakhs)
		<b>2020-21</b> <b>2019-20</b> <b>2018-19</b>
	Revenues	1,68,516.16      1,80,133.57      1,73,488.92
	Net Profit/ (Loss) before Tax	17,254.12      25,100.00      28,036.77
	Dividend %	NIL      100%      NIL
5.	Export performance and net foreign exchange collaborations, if any	Nil
6.	Foreign investments or collaborators if any	Nil

## II. Information about the Appointee

Sl. No.	Particulars	Mr. Sanjay Agarwal Managing Director
1.	Background details	Mr. Sanjay Agarwal, Managing Director of the Company is a Commerce Graduate. He became the Director of the Company in 2002 and re-appointed as the Managing Director in 2018.  He has more than 34 years of experience and is known as marketing expert in the plywood & cement industry. He is the driving force behind the Company's brand creation.
2.	Past remuneration	Remuneration paid during Financial Year 2020-21: ₹ 198 lakhs.
3.	Job profile and his suitability as Director	Mr. Sanjay Agarwal is the Managing Director of the Company. He possesses multiple skill sets to head various departments such as Finance, Marketing and Business Operations.
4.	Remuneration proposed	₹ 16,50,000/- per month
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The salary paid to Mr. Sanjay Agarwal is in line with current industry standards.
6.	Pecuniary relationship with the managerial personnel, if any	Apart from receiving managerial remuneration, Mr. Sanjay Agarwal is not having any pecuniary relationship with the Company.

## III. Other Information

Sl. No.	Particulars	Remarks
1.	Reasons of loss or inadequate profits	NA
2.	Steps taken during the year for improvement	The Company believes that it is well positioned to capture significant growth opportunities and profitability because of its following principal competitive strengths: <ol style="list-style-type: none"> <li>1. Expansion of capacity</li> <li>2. Strong Human Resource</li> <li>3. State-of-the-art technology and infrastructure</li> <li>4. Strong Management Team</li> <li>5. Aggressive Branding</li> </ol>
3.	Expected increase in productivity and profits in measurable terms	The Company has taken initiatives to improve the position of the Company as against its competitors and will continue in its endeavor to improve profitability.

**Statement pursuant to provisions of Schedule V of the Companies Act, 2013 with respect to Item No. 6 of the Notice.**
**I. General Information**

Sl. No.	Particulars	Remarks
1.	Nature of industry	Cement
2.	Date of certificate of commencement of business	19th September, 2002.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	For the Financial Year (₹ in Lakhs)
		<b>2020-21</b> <b>2019-20</b> <b>2018-19</b>
	Revenues	1,68,516.16      1,80,133.57      1,73,488.92
	Net Profit/ (Loss) before Tax	17,254.12      25,100.00      28,036.77
	Dividend %	NIL      100%      NIL
5.	Export performance and net foreign exchange collaborations, if any	Nil
6.	Foreign investments or collaborators if any	Nil

**II. Information about the Appointee**

Sl. No.	Particulars	Mr. Rajendra Chamaria Managing Director
1.	Background details	Mr. Rajendra Chamaria, Vice-Chairman and Managing Director of the Company is a Commerce Graduate. He became the Director of the Company in 2004 and re-appointed as the Managing Director in 2018. He has more than 37 years of experience and has an excellent grasp on all statutory laws related to an industry.
2.	Past remuneration	Remuneration paid during Financial Year 2020-21: ₹ 304.20 lakhs.
3.	Job profile and his suitability as Director	Mr. Rajendra Chamaria is the Managing Director of the Company. He possesses multiple skill sets to head various departments such as Finance, Marketing and Business Operations.
4.	Remuneration proposed	₹ 25,35,000/- per month
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The salary paid to Mr. Rajendra Chamaria is in line with current industry standards.
6.	Pecuniary relationship with the managerial personnel, if any	Apart from receiving managerial remuneration, Mr. Rajendra Chamaria is not having any pecuniary relationship with the Company.

### III. Other Information

Sl. No.	Particulars	Remarks
1.	Reasons of loss or inadequate profits	NA
2.	Steps taken during the year for improvement	The Company believes that it is well positioned to capture significant growth opportunities and profitability because of its following principal competitive strengths: <ol style="list-style-type: none"><li>1. Expansion of capacity</li><li>2. Strong Human Resource</li><li>3. State-of-the-art technology and infrastructure</li><li>4. Strong Management Team</li><li>5. Aggressive Branding</li></ol>
3.	Expected increase in productivity and profits in measurable terms	The Company has taken initiatives to improve the position of the Company as against its competitors and will continue in its endeavor to improve profitability.



## E-COMMUNICATION REGISTRATION FORM

(Only for members holding shares in physical form)

To,  
**MAHESHWARI DATAMATICS PRIVATE LIMITED**  
**UNIT: Star Cement Limited**

23, R N Mukherjee Road, 5th Floor,  
Kolkata - 700 001.  
Phone No. 033- 2243-5029/2248-2248  
Email: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

Dear Sir / Madam,

I hereby register / update my email address provided below for receiving all communication from the Company through electronic mode:

Folio No. / DP ID & Client ID	
Name of the First Registered Holder	
Name of the Joint Holder(s), (if any)	
Registered Address	
Email ID (to be Registered)	
Signature of the First Registered Holder	
Date:	

Notes:

1. On registration/ updation, all the communications will be sent to the registered e-mail ID.
2. The form is also available on the website of the Company [www.starcement.co.in](http://www.starcement.co.in) under the "Investors" section.
3. Members holding shares in electronic mode are requested to ensure to keep their e-mail ID updated with the Depository Participants with whom they are holding their Demat Account.
4. Members are requested to keep their depository participants / Company's Registrar- Maheshwari Datamatics Private Limited informed as and when there is any change in the e-mail ID. Unless, the email ID given hereunder is changed by you by sending another communication in writing, the Company will continue to send all the communication to you on the above mentioned email ID.
5. Members are requested to attach a self-attested scanned copy of PAN card, self-attested scanned copy of any document (such as /Aadhar card/latest Electricity Bill/latest Telephone/Mobile Bill/Driving License/Passport/Voter ID Card/Bank Passbook particulars) along with this form.

# CORPORATE INFORMATION

## Board of Directors

### Mr. Sajjan Bhajanka

Chairman & Managing Director

### Mr. Rajendra Chamaria

Vice Chairman & Managing Director

### Mr. Sanjay Agarwal

Managing Director

### Mr. Prem Kumar Bhajanka

Managing Director (w.e.f. 13.08.2021)

### Mr. Pankaj Kejriwal

Director

### Mr. Pramod Kumar Shah

Director

### Mr. Santanu Ray

Director

### Mr. Amit Kiran Deb

Director

### Ms. Plistina Dkhar

Director

### Ms. Ibaridor Katherine War

Director

## Auditors

### M/s. D. K. Chhajer & Co.

Chartered Accountants

Nilhat House,

11, R. N. Mukherjee Road, Kolkata 700 001

## Chief Executive Officer

### Mr. Sanjay Kumar Gupta

## Chief Financial Officer

### Mr. Manoj Agarwal

## Company Secretary

### Mr. Debabrata Thakurta

## Bankers & FI's

Indian Bank

DBS Bank India Ltd.

State Bank of India

HDFC Bank

ICICI Bank

## Registrars & Share Transfer Agents

### Maheshwari Datamatics Pvt. Ltd.

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

Kolkata 700 001

## Registered Office

Vill.: Lumshnong, P. O. Khaliehriat

Dist.: East Jaintia Hills

Meghalaya 793 210

## Lumshnong Plant

Vill: Lumshnong, P. O. Khaliehriat

Dist.: East Jaintia Hills

Meghalaya 793 210

## Sonapur Plant

Gopinath Bordoloi Road

Vill.: Chamta Pathar

P. O. Sonapur

Kamrup Assam 782 402

## Siliguri Plant

Chaurangi More, Teyyature Road,

Patkata Colony, Mohit Nagar,

Jalpaiguri, West Bengal 735 102

## Corporate Office

'Century House', 2nd Floor

P-15/1, Taratala Rd, 2nd Floor, CPT Colony

Taratala, Kolkata, West Bengal 700 088

Phone: 033 2248 4169/70

Fax: 033 2248 4168

Email: investors@starcement.co.in

Website: www.starcement.co.in

## Guwahati Office

Mayur Garden, 2nd Floor

Opp. Rajiv Bhawan

G. S. Road

Guwahati 781 005

## Delhi Office

281, Deepali

Pitampura

New Delhi 110 034

**STARCEMENT**  
*Solid Setting*

[www.starcement.co.in](http://www.starcement.co.in)

CIN: L26942ML2001PLC006663

**STAR CEMENT LIMITED**

Registered Office :

Vill: Lumshnong, P.O.: Khaliehriat

Dist: East Jaintia Hills, Meghalaya 793 210

Corporate Office :

'Century House', 2nd Floor, P-15/1, Taratala Road

2nd Floor, CPT Colony, Taratala, Kolkata 700 088